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NAZI SPOLIATION OF PROPERTY IN OCCUPIED EUROPE

DRAFT FOR THE WAR CRIMES STAFF

24 July 1945

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I. INTRODUCTION

A. Spoliation of property and economic exploitation

The term "spoliation of property" is used in the following discussion to cover all illegal acts which affected the economic welfare of German-occupied countries. Spoliation thus includes not only offenses against property rights of the individual (the chief danger against which the Hague Conventions tried to protect an occupied country), but also the economic exploitation of the country as a whole by illegal means or to an illegal extent.

In the category of acts constituting spoliation of individual property belong not only acts of outright robbery, confiscation, seizure and destruction of property (owned, e.g., by Jews, Poles, Russians), but also acts which had the outward appearance of legality -- that is, purchases with a price paid by the German buyers. To lay bare the true character of such deals it is necessary to scrutinize the methods by which, and the circumstances under which, private owners were induced to consent to the sale of their property to the Germans.

While there are many reports showing that the Germans committed numerous acts of spoliation of individual property,[1] in occupied countries, the organized character of the exploitation of the economic resources of occupied countries in the interest of the German war effort and of the standard of living of the German people will be central to the ensuing description. This exploitation was an important element in the German plan of international aggression, war, and conquest. The responsible leaders of the German people, although often anxious to develop and use forms and instruments of exploitation which would preserve the outward appearance of legality, always considered the German war effort and the standard of living of the German people, and in many cases their own personal enrichment, as more important than the protection of the property and welfare of the inhabitants of the occupied countries. It was in fact part of the German plan to reduce the standard of living of the population in, for example, Soviet Russia.

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[1] See for example Speer's order of 12 December 1944 quoted in SHAEF: Economic Intelligence Summary No. 29 (OSS CID #121692).

German economic occupation policies must be described and judged as a whole if their unlawful character is to be proved. In many cases only the extent of "lawful" requisitioning and purchasing and the character of financing methods used (contributions, forced loans, issue of occupation currency) made the German policies unlawful: Volume of goods and services extracted and amounts of financial contributions levied exceeded both the needs of the occupying army and the resources of the occupied country.

Acts of spoliation affecting the general welfare of occupied countries become of great importance because the Germans did, as a rule, meticulously pay for goods acquired in occupied countries and often had no need of resorting to requisitioning or specific pressure, but purchased freely out of funds which were for the greater part contributions or credits.

The contributions levied by them were in nearly every case very definitely greater than was necessary to cover the needs of the occupying armies and thus resulted in partly indemnifying Germany for the expenses of the war and in enriching it. In many cases, too, contributions were not in proportion to national resources and had destructive effects on the welfare of the occupied country.

The credits received by the Germans from occupied countries, especially in international clearing accounts but also in national currency for the local needs of the German authorities, had obviously the character of forced loans. This is evident from the general relations between the lender -- the occupied country -- and the borrower -- the occupant. Loans, moreover, were often not in proportion to the national resources and in most cases were not used to cover the needs of the occupying armies but rather to enrich Germany or at least to help it carry (indemnify it for) the expenses of the war.

B. Legal basis of German economic controls

1. Occupation and debellatio. The German authorities considered it perfectly legal to exploit fully all occupied countries in the interest of the German war effort [1] and the standard of living of the German people. In fact, a study of their occupation policies shows that mainly political and economic motives are reflected in their formulation, with legal considerations being given little importance.

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[1] E.g. Funk, quoted by Frankfurter Zeitung, 13 October 1941.

However, the German Government never renounced the international law of occupation in its entirety, but tried to keep the appearance of respecting it in some countries, while in other countries considering itself not bound by it and digressing officially from its principles. The legal basis of German economic policies was thus twofold:

First, in some countries international law of occupation was considered valid. These comprised the Western European states (France, Belgium, the Netherlands, Denmark, and Norway). A special situation developed in France, because the Franco-German Armistice Agreement specified in many respects the rights and duties of the Germans in regard to French property.

Second, in all other countries international law of occupation was not considered applicable. These were:

a. Territories annexed by the Reich and those prepared for annexation -- that is, administered in fact as part of the Reich, although not yet declared to be legally part of it. The German authorities acted in all economic maters as if the incorporation had taken place, without regard to international law.

b. The occupied Czechoslovak territory organised as the Protectorate of Bohemia and Moravia. Here German authority derived from the unilateral act by which Hitler had established the Protectorate. The Czechoslovak state was considered to be non-existent. The Germans did not acknowledge any limitations of their powers, although the Protectorate Decree "freely" gave the native population certain rights and a degree of autonomy.

c. The occupied Polish territories organised as the General Government. In this area the Germans refused to acknowledge any limitations on their activities by international law. The Polish state was declared non-existent, and the state of war between Poland and Germany and the belligerent occupation of Polish territory considered at an end. [1]

d. The occupied Russian territories. In these the Germans did not consider themselves bound by the Hague regulations on land warfare because the USSR was not a party to this pact.

e. The satellite countries. German military and civilian authorities claimed to operate here as allies, and their rights and duties were thus dependent on mutual agreement. By application of political and military pressure on a quisling regime and by liberal implementation of their rights as allies and of the idea of the "common war effort," the Germans succeeded in exploiting satellite countries in many cases just as efficiently as occupied territories. They often showed, indeed, less respect for the rights of the population than international law would demand from an occupant of enemy territory.

In regard to some of the Balkan countries the situation was not clear; the Germans, for example, declared the Yugoslav state to be non-existent [2] and considered the period of belligerent occupation as ended. They set up puppet regimes in satellite states (Croatia, Serbia, Greece) but continued to collect occupation costs in some of them.

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1. Wilhelm Stuckart, Neues Staatsrecht, II, p. 111.
2. Stuckart, II, p. 87.

2. *Changes in Occupation Status.* In attributing responsibility for acts committed by the Germans in occupied territories in the economic sphere it must be remembered that nearly all of these territories went through more than one phase of German occupation.

a. Nearly all German dominated territories were at one time or another under control of German military commanders; during the period of hostilities the Supreme Commander issued decrees by virtue of his executive powers.[1]

b. Some territories became part of the Reich and were covered by its administrative organisation after passing through a period of administration by a special commissioner; others were incorporated directly.

c. The territories slated for incorporation after the war were administered by special commissioners, although they were subject to the same economic legislation and controls as the Reich proper.

d. In some territories, after active hostilities ended, military administration of the civil affairs type was set up by Führer decree.

3. Some territories were turned over by the military commanders to administration by civilian occupation authorities, appointed by Führer decree.

f. In some countries under German military control government functions were actually exercized by diplomatic representatives.

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[1] Albert Weh, *Das Recht des Generalgouvernements*, p. A. 100.

II. TEN TYPICAL CASES OF GERMAN SPOLIATION OF PROPERTY

Emphasis in selecting and presenting these cases is laid on showing the concurrent effects of German policies in various economic fields, especially property rights, wartime economic restrictions, and financial measures, so as to make evident the full implications and real objectives of the acts committed. The cases are of necessity somewhat general in character; the paucity of material available in Washington and limitations of time make it impossible to work out more detailed outlines. It is believed, however, that even in the rudimentary form in which they are presented the cases will be useful for the drawing up of satisfactory briefs.

A. Spoliation of Industrial Property in Poland

1. Facts Disclosed by Evidence Presently Available. The Supreme Commander of the German Army issued a decree on 29 September 1939[1] regarding the appointment of trustee commissioners for enterprises, plants, and landed property in the occupied "formerly" Polish territories. Under this decree, the Supreme Commander in the East and his delegates were authorized to appoint commissioners to administer any enterprise or property "if there was no guarantee of regular administration;" the owners' rights were suspended. On 1 November 1939 Goering as Delegate for the Four Year Plan set up the Haupttreuhandstelle Ost as a branch of the Four Year Plan agency,[2] to act as the

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[1] Verordnungsblatt für die besetzten Gebiete in Polen, p. 21 (quoted in Weh, Das Recht des Generalgouvernements, Krakow, 1941, page E 350).

[2] Deutscher Reichsanzeiger 1939, No. 260.

central authority in matters of seized Polish property situated in the incorporated Eastern territories, and two weeks later Frank as Governor General of the occupied Polish territories set up a Treuhandstelle for the General Government to fulfill similar functions in the territory under his jurisdiction.[1] The functions of both agencies were outlined in decrees and administrative orders. Insofar as they are known and refer to industrial property, the respective decrees are quoted in the following.

Seizure of private property of "former" Polish citizens located in the Reich and in incorporated territories was regulated in Goering's decree of 17 September 1940.[2] Seizure of private property in the General Government was regulated by Frank's decree of 24 January 1940[3] which provided that private property could be seized if seizure appeared necessary "for the fulfillment of tasks of public interest," or if the property were derelict. Seizure was pronounced as a rule by the District Chief, head of the territorial administration in the General Government, who acted in agreement with the head of the Treuhandstelle. Seized enterprises were managed by trustees; profits were used to finance weaker enterprises. Later on, enterprises were leased and eventually most of them sold to German firms. Rights of third parties against derelict property were declared void.

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1. Weh, p. E 860.
2. RGBl. 1940-I p. 1270.
3. Weh, p. E 850.

All chattels and real property of the "former" Polish state which were located in the General Government were seized by a decree issued by Frank on 15 November 1939 "to secure values of public interest of all kind".[1] Goering's decree of 15 January 1940[2] on securing of property of the former Polish state covered property located in the Reich, in incorporated territories, and in the General Government, thus partially duplicating Frank's above mentioned decree. On 24 September 1940 Frank issued a decree[3] which declared that Polish state property in the General Government became by virtue of the law itself property of the General Government. This acquisition was declared not to be based on succession; rights of third parties against the Polish state were voided. The Treuhandstelle was put in charge of such seized property and was authorized to dispose of it by any method selected.

To prevent any transfer of property which might have hindered seizure by the Germans, decrees were issued by the Supreme Commander of the Army[4] (on 29 September 1939) and Governor General Frank[5] (on 23 April 1940) making acquisition of enterprises and of shares in enterprises subject to license.

The industrial property seized by the Germans in this manner was for the greater part sold to German business firms at undisclosed

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1. Weh p. E 800.
2. RGBl. 1940, I,174.
3. Weh, p. E 810.
4. Verordnungsblatt, p. 23.
5. Weh, p. E 110.

prices. The following transactions can be taken as examples of the systematic policy of spoliating Polish industrial property:

a. The *Preussag*, an industrial and mining combine owned by the Prussian state, took over twelve of the sixteen coal mines in the Dombrowa district which before 1939 had been owned by private Polish owners and the Polish state, with some interests in French hands.[1]

b. The Ballestrem combine had before 1939 held 48 per cent of the shares of "Huta Pokoj" a large steel work in Poland, with 52 per cent of the shares held by the Polish state. Ballestrem subsequently acquired the Polish holdings from the *Treuhandstelle*.[2]

c. The Ballestrem combine acquired through its subsidiary, the Ferrum A.G., the Zieliniewski and Fitzner-Gamper machinery plants in various Polish towns.[3]

d. The *Berghütte* combine in Teschen, controlled by German banks and managed by persons mostly connected with the Goering combine, acquired a number of steel works owned before 1939 by the Polish state, Polish provincial bodies, and Polish state banks, as well as plants owned then by private Polish interests (e.g., the Modrzejow-Hantke Corporation) and by French interests.[4]

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1. *Deutsche Volkswirt*, 20 March 1940, p. 803.
2. *(British) Foreign Office* and Ministry of Economic Warfare, "The Iron and Steel Industry of the Upper Oder- Upper Vistula Basins," OSS CID #114780.
3. Ibid.
4. *Ibid.*

e. The Stahlwerke Braunschweig GmbH, a subsidiary of the Goering combine, took over all but one of the iron and steel plants in Central Poland which before the war were dominated by the Polish state with French and Belgian capital participating.[1]

The list of these examples could be easily prolonged; it could include, for example, the Henschel combine's acquisition of Polish locomotive plants.

2. Probable Sources of Further Evidence. The various decrees used by the Germans to "legalize" their acts are at hand; reports on outstanding cases of spoliation have been collected by the British Government, and partial information has been published in their report quoted above. More details should be easily available from the British and the Polish Governments, from interviews with Goering and other German officials involved, as well as the industrialists who acquired Polish property (e.g., the Henschel management), and from investigation of the files of the respective German agencies and firms.

3. Evaluation. The seizure and sale of public and private industrial property in Poland constituted (a) confiscation of private property not justified by the needs of the army of occupation and (b) either spoliation of public property, or taking as war booty

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[1] (British) Foreign Office and Ministry of Economic Warfare, "The Iron and Steel Industry of the Upper Oder- Upper Vistula Basins," OSS CID #114780.

of public real estate. Nothing is known about a purchase price having been paid by the Germans to private owners of seized property, except where foreigners were involved; but even such payments would not make the transfers legal, since the owners were forced or blackmailed into sale.

4. Responsibility.

Lies with:

a. Goering, as Delegate for the Four Year Plan, for ordering seizure and disposal of industrial property in Poland; the leading members of his staff involved in this matter, especially the men in charge of the Haupttreuhandstelle Ost (Winkler et al.);

b. Frank, as Governor General, and the leading members of his staff--especially those in charge of the department for economics (Dr. Emmerich) and the Treuhandstelle (Plodeck) on the same count;

c. Funk, as General Commissioner for Economics and as Reich Minister for Economics, for participating in this spoliation, which took place at a time when he was in charge of all German economic controls.

d. Schwerin-Krosigk, as Reich Minister for Finance, who supervised the Haupttreuhandstelle Ost;

e. The management of the Reichswerke Hermann Goering, especially Körner and Malzacher, for assisting and sharing in the spoliation;

f. Possibly the heads of German steel cartels, if proof can be brought that they had a hand in the reorganization of the Polish steel industry.

B. Spoliation of Cultural Property in Poland

1. Facts. Immediately after occupation of Poland the Germans began systematically to loot art treasures from Polish collections. Such looting was done by German government officials in accordance with instructions issued by German scholars who toured the territory, but also by German police, military persons, and administrative officials for private profit.[1] On 16 December 1939 Frank, as Governor General for the occupied Polish territories, issued a decree[2] by which all art objects in the General Government were seized "for the fulfillment of public tasks of common interest"; the seizure covered private art collections and art objects owned by the church (except those needed for daily services) while art objects owned by the Polish state had been seized by the decree of 15 November 1939[3] covering all state property. Private persons and church organizations were ordered to submit to the German authorities lists of all art objects owned or held in custody. Concealment, sale, or export of art objects and withholding of information were punishable by prison terms.

Frank appointed a Special Delegate for Seizure and Safeguarding of Art and Cultural Objects (Sonderbeauftragter für Erfassung und Sicherung der Kunst und Kulturschätze) who with the help of a staff of German scholars decided which specific objects were to be seized and confiscated and who also administered seized property. Disposal of art objects was delegated to the chief of the Treuhandstelle department in the General

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1. Nazi Kultur in Poland, His Majesty's Stationery Office, London, 1945.
2. Verordnungsblatt General Government, p. 209.
3. Ibid., p. 37.

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2. Verordnungsblatt General Government, p. 209.
3. Ibid., p. 37.

Government administration, who was supposed to act in agreement with the chief of the Finance Department.

2. Evidence. Polish underground members have collected evidence on spoliation of art treasures by German agencies and individuals. An extensive description of these acts is contained in the publication: The Nazi Kultur in Poland, published by His Majesty's Stationery Office in London, 1945, for the Polish Ministry of Information. Additional information has probably been collected by the Roberts Commission. Evidence can also be obtained by interviewing German officials and scholars involved in the seizure.

3. Evaluation. The seizure and confiscation of art and cultural objects constituted glaring violations of the Hague Convention which specifically prohibits such actions. Pillage of art objects by individuals is also specifically prohibited.

4. Responsibility. Lies with: a. Himmler as chief of Police and SS, Kaltenbrunner as chief of the Reichssicherheithauptsamt, Müller as chief of Amt 4-Gestapo, Krüger (later Koppe) as chief of the Gestapo in the General Government, and their subordinates (as far as they participated) for taking a leading part in the spoliation of Polish art treasures;

b. Frank as Governor General, the German cabinet under whose orders he acted, Dr. Kai Muhlmann as Special Commissioner for Seizure and Safeguarding of Art and Cultural Objects, Dr. Senkowsky as chief of the Finance Department, Plodeck as head of the Treuhandstelle, and the members of Mühlmann's staff, Dr. Gustav Barthel, Dr. Maier, Dr. Küdlich, and others, for organizing and conducting a systematic campaign of looting Polish art treasures;

c. Goering and other Nazi leaders who shared in the spoils of the seizure of Polish art treasures, and the members of SS Verbindungsstab Rosenberg[1] which acted as collection agency and did large scale looting in France and probably also in Poland.

d. The heads of the Reichsbank, especially President Funk and managers Puhl and Kretzschmann, who had the Reichsbank organization participate in the disposition of SS loot.[2]

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[1] See OSS, CID #111936: PW Interrogation, and Weekly Civil Affairs Summary No. 258 (10 March 1945).

[2] OSS, CID #137979.

C. Looting and Destruction of Industrial Property in Soviet Russia

1. *Facts.* The German Reich established itself as successor of the Soviet state in occupied Russian territories and assumed ownership of all industrial plants.[1] The plants which were to continue or resume production were operated by Reich agencies directly, by newly established public enterprises, or by private German firms acting in behalf of the Reich. Some industrial equipment was reportedly at once dismantled and shipped to the Reich. Pillage and looting by German soldiers, military units, and attached civilian personnel, and the transfer to Germany of property looted by individuals reached such proportions that Reich Marshall Goering considered it necessary to issue on 15 August 1941 a decree[2] by which booty-taking by individuals was forbidden. It also specified that only property of the hostile army was considered booty which when captured became property of the Germany Army.

During the German occupation industrial plants were directed to manufacture predominantly products for German use, while supply of the native population with merchandise was restricted so that not even indispensable goods were available.[3]

Before retreating from Soviet territory the Germans evacuated whole plants if they had sufficient time.[4] Special commissions organized transportation of stocks and plant when the Russians approached. Most of the industrial equipment not evacuated was destroyed as part of the scorched earth policy.

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[1] Order of 19 August 1941, *Verkundungsblatt für d. Ostland*, 1941, No. 2, p. 5, quoted in Lemkin, *Axis Rule in Occupied Europe*, Washington, 1944,
[2] Heeresverordnungsblatt, vol. 23, No. 50. p. 304.
[3] *Bankwirtschaft*, 1 September 1943.
[4] *Deutsche Bergwerkszeitung*, 13 August 1944 (quoting Bankwirtschaft).

2. Evidence. German writers[1] described with more or less frankness and accuracy the German treatment of industrial property in occupied Soviet territories. For specific evidences collected by the USSR see R&A Report No. 1988.1. More evidence can be obtained by interviewing various German officials who were closely connected with agencies directing this policy -- for example, Goering, General Thomas of the economic branch of the OKW, German industrialists like Krupp and the managers of Mannesmann, Herman Goering Werke, Hapag, etc., (who operated plants in the East) and employees of the German business organizations (e.g., Dr. Köppen of the Reichsgruppe Handel, who described trade activities in the East in a newspaper article[2]).

3. Evaluation. The Soviet system of public ownership of production facilities makes it difficult to present the seizure of Russian industrial properties by the Germans as contrary to international law. But to the extent that municipal property was seized, the contravention is clearly established. Moreover, the scorched earth policy during the withdrawal from Russia, and the destruction of public property which it involved, could be considered as illegal under the Hague Convention, which states that "the occupying state shall be regarded only as administrator and usufructory of public buildings ... belonging to the hostile State

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[1] Deutsche Allgemeine Zeitung, 3 June 1943; Völkischer Beobachter, 16 August 1943, Pariser Zeitung, 8 August 1942, Rheinisch-Westfälische Zeitung, 11 June 1943; etc.

[2] Pariser Zeitung (Paris), 8 August 1942.

(and) must safeguard the capital of these properties." However, the argument of military necessity might be advanced in defense.

The evacuation of machinery and whole plants was, at any rate, unlawful even if the property was owned by the State, for its objective was to enrich Germany and ruin economically the population of the occupied territory.

4. Responsibility. Lies with: a. Goering, as Delegate for the Four Year Plan, who was given by Hitler full powers to organize the exploitation of the occupied Eastern territories for the German war economy,[1] and the leading members of his staff, as well as the commissioners and delegates operating under Goering, especially:

Speer, as Commissioner for Construction, for Water and Power, and for Armament Tasks;

General Kühn, as Commissioner for Motor Transportation, who, through a field office, operated the Kharkov motor plants;[2]

Professor Bentz, as Commissioner for Increase of Oil Production;

Major Schu, as Delegate for Scrap Collection in Occupied Territories;

General von Majewski, as Special Delegate for Timber Supply in Occupied Southeastern Soviet Russia.

b. The German High Command (OKW) and its economic branch, and the division called Wirtschaftsstab Ost (under General Stapf [3]) and their

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1. Referred to in his order of 15 August 1941 (Heeresverordnungsblatt, vol. 23, No. 50).
2. Deutsche Zeitung im Ostland, 3 January 1943.
3. Rheinisch Westfälische Zeitung, 2 September 1943.

leading staffs, are responsible for organizing and directing the spoliation of industrial facilities in occupied Russian territory, through destruction or evacuation of plants and the looting of machinery;

c. Responsible too are the Economic Leaders, Economic Inspectors (e.g., Generalmajor Nagel, head of the Wirtschaftinspektion Süd), their leading officials (e.g., Dr. Schwenko, head of Nagel's industrial branch, a former director of Heinrich Lanz A.G.), and their field agents, the Economic Commanders, as well as the commanders of the military units who exercised authority in the territory administered by the economic officers, for acts of property spoliation and destruction committed under their jurisdiction;

d. Rosenberg, Minister for Occupied Eastern Territories is responsible as are the leading members of his staff, on the same counts as (3) for acts committed in territory under his jurisdiction;

e. The Reichkommissars, Generalkommissars, and Gebietskommissars who acted as territorialagents of the Eastern Ministry for acts of property spoliation committed under their orders and jurisdiction are responsible;

f. The Commanding officers of the military units under whose orders the Feldwirtschaftskommandos evacuated and destroyed industrial property and the officers in charge of such Field Economic Commands, called Höherer Feldwirtschaftsoffizier and Feldwirtschaftsoffizier, can be charged with responsibility;

g. Speer as Minister for Armament and War Production and as Commissioner for Water and Power, Roads, and Construction, is responsible, as well as the leading members of his staff and his field agencies, the Armament

Inspectorates and Armament Commands and the Technical Control Offices, for their part in exploiting and looting Russian industrial equipment;

h. The leaders of German business associations are responsible too, especially those of the *Reichsgruppe Handel*, the *Wirtschaftsgruppe Bergbau*, *Eisenschaffende Industrie*, *Fahrzeugindustrie*, *Textilindustrie*, etc. for taking part in the exploitation and the spoliation of industrial facilities of Soviet Russia by assisting in the planning, by delegating experts to act as Government agents, by participating in the foundation of public enterprises which took over Russian plants (such as the *Berg- und Huttenwerksgesellschaft*, the *Ostfaser* etc.), and by arranging penetration by German business firms into the East.[1]

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[1] *Rheinisch-Westfälische Zeitung*, 2 September 1943, Europa Kabel, 15 January 1944.

D. Financial manipulations in occupied Soviet territory

1. Facts --- Local expenditures of the German army in invaded Soviet territory were financed by issue of German occupation currency, called Reichskreditkassenscheine. The local population was ordered to accept this money at a ratio very unfavorable to the ruble. 100 rubles were made equal to 10 Reichsmark, whereas the official exchange rate before the war was 100 = 44.17.[1] In most territories the Russian money was later withdrawn from circulation in exchange for new money or for blocked deposits. It was replaced either by Reichskreditkassenscheine, or, in the Ukraine, by a new currency called Karbowanetz. The issue of both types of money was in the hands of German institutions, which acquired claims against the Reich for the amount of currency issued. The Germans also established several commercial banks to collect deposits and to finance German firms and agencies operating in Soviet territory. The German administration collected taxes; it may be presumed that the net proceeds after covering the cost of administration were used as a war contribution to the Reich. Another source of money for war contribution was the sale to local banks of Treasury notes issued by the German administration.[2]

The total amount of new currency put into circulation in the Ostland and the Ukraine, of taxes and occupation costs collected, or of treasury notes issued is not known. There is, moreover, no

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1. Die Bank, Berlin, 30 September 1942.
2. Frankfurter Zeitung, 1 June 1943.

information available on the amount of clearing claims which the Soviet territories accumulated by exporting to the Reich. It is estimated by American sources [1] that financial contributions of the Ostland and the Ukraine totalled 3,410 million Reichsmark. Currency circulation in German-occupied Soviet territory kept rising steadily and at such a rate that price controls could not be enforced. Eventually, the native population began to refuse money altogether, since there was nothing to buy with it. Although the Germans operated all except the smallest industrial enterprises, had in most districts a complete monoply of trade, and exercised strict supervision over all farms, with the larger ones being operated directly by or for the Reich, nevertheless, they had to give an incentive to native farmers so that production and deliveries would not fall excessively. The Germans were forced to accept barter as the basis of their operations with the native population, using rare goods, such as liquor, matches, etc, as means of exchange. [2] When introducing this principle of barter into their trading, the Germans, according to the same source, had to increase somewhat the share of the consumers in total output, which was considered justified by the resulting increase in productivity.

2. Evidence. In a general way the German policies and their results are well documented in German publications such as:

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[1] F. Hermberg, Division of Research and Statistics, Federal Reserve Board: "Foreign Financial Contributions to Germany during the War." Washington, May 1945.

[2] Bankwirtschaft, Berlin, 1 September 1943.

Bankwirtschaft, 1 September 1943, *Frankfurter Zeitung*, 1 June 1943, and *Die Bank*, 30 September 1942. More specific evidence can be obtained from Russian sources and by interviewing Minister Funk (as head of the Reichsbank); Reichsbankdirektor Kretzschmann; General Thomas of the OKW; Min. Rat Ter Nedden of the Eastern Ministry and Ministry for Economics, later of the OKW economic branch; and investigation of captured files of the Reich Chancellery, etc.

3. *Interpretation.* There were two causes for the complete depreciation of German-issued money. First, the insufficient amount of industrial goods which the German authorities made available for local consumption. According to a German writer, "Even goods indispensable for agricultural production and living were not always available through regular channels." [1] Second, the constant issue of new money to finance local purchases of German military and civilian agencies and German firms. These purchases, which had the character of requisitions, were admittedly destined not for the needs of the army of occupation only, but to supply the Reich with foodstuffs and raw materials. [2]

To sum up, the Germans issued occupation money, levied forced loans from banks, and collected taxes beyond the needs of the occupation armies, financing in this manner part of the German war expenditure and incidentally enriching themselves. They depreciated the pre-invasion local currency and bank deposits then destroyed the value of the new money by systematic inflation. These financial manipulations helped the Germans to purchase under force and to requisition goods out of proportion to the resources of the country, thus ruining it economically.

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[1] *Bankwirtschaft*, Berlin, l.c.

[2] See, for example: *Die Deutsche Volkswirtschaft*, September 1943.

4. Responsibility.

a. Göring, as head of the Four Year Plan, who was put in charge of the economic exploitation of these territories, [1] and the leading members of his staff.

b. The High Command of the German Army and its economic branch, as well as the Wirtschaftsstab Ost (under General Stapf [2]) and its regional representatives, the Wirtschaftsführer and Wirtschaftsinspektoren, for participating in financial manipulations in Soviet territory.

c. Rosenberg, as Minister for Occupied Eastern Territories, and the leading members of his ministry, especially Dr. Schlotterer, head of the Economic Division, and the Reich Commissars and General Commissars with their staffs, who participated in financial spoliation of Soviet territory.

d. Funk, as head of the Reichsbank, and the leading members of his staff, who organised the Reichskreditkassen and all other German state banks operating in Soviet territories.

e. Funk again, as Minister for Economics, and the leading members of his staff, who collaborated in organizing the financial spoliation of Russian territories by, among other methods, founding the monopolistic eastern companies which served as an instrument for reducing the local population's supply of a consumer goods.

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[1] Führer Decree, referred to in Heeresverordnungsblatt loco. cit.
[2] Rheinisch Westfälische Zeitung, 2 September 1943.

j. Schwerin-Krosigk is responsible as Minister for Finance, and so are the leading members of his staff, for their share in organizing the Reichskreditkassen and their participation in measures aiming at financial spoliation of the Russian territories.

E. Unlawful confiscations and taking of war booty in France

1. Facts. In numerous cases German authorities seized in France as war booty property belonging to private owners as well as state property which was of no use in running the war; moreover, they confiscated industrial equipment and transferred it to Germany. A few cases are described in the following:

a. The German Military Commander and the *Kommandanturen* seized as war booty and refused to pay indemnification to the private owners of stocks and shipments of goods which were found stored or in transit in German-occupied territory, such goods being declared by the Germans as "blocked" by their order of 10 May 1940; [1]

b. The Germans carried away industrial equipment from various steel plants, among others de Wendel, Forges et Acieries du Nord, Hauts Fourneaux de Rouen; [2]

c. The German *Sicherheitsdienst* seized in Marseilles in favor of a German subject, agricultural machinery belonging to the Societe Nationale des Travaux Publics after the company had refused to sell the property to the German subject. [3]

d. In Rouen the Germans seized -- after the private owners had refloated them -- several river barges which in June 1940 had accidentally been sunk, the German Armistice Delegation claimed that this property was not exempt from seizure. [4]

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[1] OSS CID #53870.
[2] Ibid.
[3] *Ibid.*
[4] *Ibid.*

e. The German Kommandantur in Lille seized in February and March 1943 the industrial plant of the Societe des Raffineries de Petrol du Nord at Dunkerque, claiming that it was war material;[1]

f. The Rüstungs- und Beschaffungsstab ordered seizure of a privately owned hangar at Biscarosse (Landes)[2];

g. The Germans removed pipes from a French pipeline under construction, and used them to construct a pipe line in Rumania.[3]

2. Evidence. Several reports of the French Delegation to the German Armistice Commission are at hand, especially those listed in OSS CID #53870 and covering a period from 9 October until 9 November 1943 and those listed in #50141, dated 17 September 1943; more documents have been analysed by the (British) Joint Historical Research Section (OSS CID # 109652 and # 104442). Detailed evidence can be obtained from the French Government and by interviewing French and German officials who participated in the Franco-German discussions.

3. Evaluation. The above cases are among those selected by the French for presentation to the German Armistice Commission as unlawful in the sense of the Hague Convention and of the Franco-German Armistice Convention, as well as of various Franco-German agreements implementing this Convention (e.g., a letter of the German Delegation of 13 June 1942,

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[1] OSS CID # 53870.

[2] Ibid.

[3] Report 14/4 of the Military Subcommittee to the (British) Ministerial Committee on Reconstruction Problems.

and an agreement of 16 June 1942). In reply, the Germans as a rule refused to accept the French interpretation and claimed the procedure was legal.

4. Responsibility.

a. The German High Command (OKW), its economic branch, the Military Commander in France, the head of his economic division, and the heads of the Kommandanturen and other field units for directing, ordering, and executing unlawful seizure of French property;

b. The German High Command (OKW), its Wehrmachtführungsstab, the Foreign Office, The Delegate for the Four Year Plan, the Reich Minister for Economics, as agencies directing the activities of the German Armistice Commission, and the leading members of the Commission itself for directing, ordering, and participating in the spoliation of French property;

c. Albert Speer, Reich Minister for Armaments and War Production, and his staff as responsible for the actions of the Rüstungs- und Beschaffungsstab Frankreich and its regional agencies and the chiefs of these organizations for spoliation of French property;

F. Levying of Excessive Contributions in France.

1. Facts. The Germans exacted occupation costs from the French at the rate of 400 million francs daily from 25 June 1940 until 10 May 1941, then reduced the rate to 300 million francs until 11 November 1942, after which the French had to pay 500 million francs daily, less 200 million francs monthly[1]. In addition the French paid the cost of billeting and covered outlay for requisitions.

2. Evidence. Detailed evidence can be obtained from the French Government and by interviewing German officials engaged in collection and accounting for occupation costs.

3. Interpretation. The French claimed that their payments were excessive, in the sense of the Hague Convention, which limits contributions to the needs of the army of occupation, and protested at paying the expenses of troops who were engaged against Great Britain and were not part of the normal forces of occupation. This interpretation was rejected by the Germans[2] but they tried to trade reduction of the tribute for increased German controls, especially the appointment of commissioners to the Bank of France, and for trade and foreign exchange and the admission by the French of 250 travelling inspectors[3].

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[1] Paul Hermberg, Federal Reserve Board, "Foreign Financial Contributions to Germany during the War", May 1945.

[2] Decree of OKW of 21 October 1941 on Clearing and Occupation Costs (Allgemeine Heeresmitteilungen, 1942, p. 66)

[3] Report 14/4 of the Military Subcommittee to the (British) Ministerial Committee on Reconstruction Problems.

The fact that the German Reichskreditkassen which were the recipients of the payments, accumulated up to 1941, 65 billion francs of unspent funds proves that the French paid more than the Germans were able to spend at that time. There is also evidence that the French payments were used for other than expenses of the occupation army. A PW interview[1] discloses that a large part of the purchases in the black market and of unauthorized buying in occupied territories was made at the expense of the Fund for Occupation Expenses (Besatzungskostenfonds), while another interview[2] describes specifically how 2 billion francs were squeezed out of occupation costs by German air force commanders in France and used for purchase of rare materials on the black market. Rudolf Schleier, First Secretary of the German Embassy in Paris disclosed the placing of 1 billion francs as special funds at the disposal of Otto Abetz, out of French occupation cost payments[3].

4. Responsibility. Lies with:

a. The German Government and the High Command, the German military commander in France, and the chiefs of the economic branches in both the OKW and the military commander's office, the German Armistice Delegation, and the chiefs of the major military organizations stationed in France, for collecting and spending occupation cost payments in excess of the limits set by the Hague Convention.

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[1] CSDIC OSS CID XL 10222 Notes on Schwerin-Krosigk
[2] OSS CID #99551
[3] OSS CID XL 11219, (Interrogation Report 3, G-2, HQ Third US Army, 15 Aug. 1945)

b. The German Minister of Finance for tolerating the use of occupation costs collected in France for purposes other than the needs of the occupation army.

G. Requisitioning and Looting of Dutch Industrial Machinery.

1. Facts. Numerous reports from the Dutch underground, and more recent reports from liberated Holland have described the evacuation of industrial machinery from the Netherlands to Germany during the last months of Nazi occupation[1]. In January 1944, for example, the Germans took the equipment of several shoe factories in the Brabant, and several months later they dismantled and carried away the rolling mill equipment at Velsen[2]. Beginning in October 1944, they carried away machinery, stocks, and equipment (valued at 30 million guilders) of the Netherlands Signal Apparatus Co. at Hilversum. A special railroad track was constructed to speed up evacuation of heavy machinery. When transportation became impossible, owing to Allied bombing, the Germans tried to destroy all they could not move[3].

2. Evidence. The Netherlands Government and the managers of Dutch factories e.g., Johannes E. Gieskes, and the managers of the Netherlands Signal Apparatus Co. in Hilversum should be able to

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[1] See OSS CID FD-3009 of 4 April 1945, "Condition of Various Industries on 31 March 1945".

[2] Aneta Feature Service, 8 April 1944

[3] Aneta-Official Netherlands and Netherlands Indies News Agency, 29 May 1945.

supply detailed information, especially the names of German officials issuing evacuation orders under their jurisdiction. Further, Seyss-Inquart, Reich Commissioner in the Netherlands, officers of the Feldwirtschaftsamt, Albert Speer, Minister for Armaments, and his Dutch representatives can be questioned.

3. Evaluation. The available reports do not indicate whether the machinery seized by the Germans was requisitioned, confiscated, or simply moved "to prevent it from falling into Allied hands". At any rate, the action was unlawful because its objective was not to cover the needs of the German army of occupation but to enrich Germany. The last of the actions referred to above seems to have been taken as part of the so called "ARLZ" (Auflockerung-Räumung-Lähmung-Zerstörung) policy that is evacuation and destruction of industrial objectives, as outlined in an order of the chief of the OKW dated 6 September 1944[1]. Acco [illegible] s order, responsibility for ARLZ measures rests in the fighting zone with the army, and in the rear zone with the administrative authorities that is, military or civilian occupation authorities or, where German property in allied countries was concerned with German diplomatic representatives. Overall instructions were issued by the Reich supreme agencies; the Speer ministry was authorized to organize

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[1] OSS, CID /B 1514.

ARLZ measures in the armament industry sector and put them into effect through its field agencies. Special military units--the Feldwirtschaftskommandos (field economy commands)-- were set up to evacuate or destroy property; although they formed part of the German Army organization they often operated under direct orders of the Armament Inspectorates or other field offices of the Speer Ministry[1].

4. Responsibility. Lies with:

a. The German High Command (OKW) and its economic branch, the Feldwirtschaftsamt, for organizing the destruction and evacuation of industrial plant;

b. Seyss-Inquart, Fischböck, and other high officials of the German administration in the Netherlands, on the same count;

c. Speer, his Dutch representative, Admiral Reimer, and leading members of their staffs, on the same count;

d. The Feldwirtschaftsoffizier who executed illegal orders for the destruction and evacuation of Dutch industrial plant.

H. Economic Exploitation of Denmark.

1. Facts. During the first months of occupation the Germans used Reichskreditkassenscheine in making payments for goods and services in Denmark. Later the Danish National Bank agreed to

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[1] OSS #A-56033.

advance to the German army amounts needed to cover its expenses in Denmark. The Germans used these funds to pay for their troops, local expenses of the army, and construction of military highways and coastal fortifications. In addition, Denmark financed, by accumulating large claims against Germany in the Deutsche Verrechnungskasse Berlin (German Clearing Bank), a great part of its exports to Germany, as well as shipping services rendered to German account and wages transferred by Danish workers in Germany to their families. Until 31 March 1945 Denmark advanced to Germany 7.6 billion Kr (3 billion in the clearing and 4.6 billion in advances to the Germany Army)[1].

2. Evidence. To support the interpretation of the German-Danish financial deals during the war it is suggested th[illegible]irect evidence be requested from the Danish Go[illegible]at, among others, the following German offici[illegible] be interviewed: Renthe-Finck, German Minister to Denmark; General Thomas, head of the economic branch in the OKW; Minister Funk, who supervised the Deutsche Verrechnungskasse and, through the Reichsbank, also the Reichskreditkassen.

3. Interpretation. The Danish National Bank's promise to make advances to the German Army was presumably given in return for the

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[1] PWE Northern Region Intelligence Review, 27 April 1945.

Germans' promise to refrain from issuing any more Reichskreditkassenscheine in Denmark. In this manner the Bank apparently prevented an uncontrolled expansion of currency circulation in Denmark and was able to exercise some check on the amounts spent by the Germans. The advances had therefore the character of forced loans granted under threat of the issuance of occupation money.

Similarly, the credit granted by the Nation Bank in the form of advances on clearing claims against the Deutsche Verrechnungskasse in Berlin was, in fact, a forced loan; before arrival of German troops Denmark never permitted German purchases to exceed German sales, and no credit was granted in the clearing account. The change in Danish policy after invasion of the country is a strong indication that pressure was applied by the Germans to secure Danish agreement.

Once the character of forced loans is established it can also be proved that these loans were for the greater part not levied for the needs of the occupying army only. In the case of clearing claims this is self-evident, because the claims constitute the countervalue of goods and services exported to Germany (in excess of German goods received). Denmark contributed in this way to the German war effort, and Germany was correspondingly enriched. Advances to the German Army were, according to Danish sources, allocated in this manner:

40 percent for construction and fortification work, and the balance for other expenses[1]. By a strict interpretation of the term "for the needs of the army only" in the Hague Rules (article 49), forced loans for construction and fortification work could be considered unlawful.

It is doubtful, however, whether the volume of goods and services extracted from Denmark was larger than "in proportion to the resources of the country".

4. Responsibility. Lies with:

a. The Military Commanders in Denmark (Generals Lüdke, von Hanneken, and Lindemann) for participation in the extorting of advances and forced loans beyond the needs of the occupation army and for consenting to such monies being spent for other than such needs, and for participation in the exploitation of Danish resources for the Reich.

b. The leading members of their staff who took part in measures or acts by which the Danes were forced to agree to advance excessive amounts to the Germans are responsible.

c. The German High Command and its economic branch (Wehrwirtschaftsamt, etc.) are responsible for their issuance of instructions to the Military Commanders involving spoliation of Danish property.

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[1] Ibid.

d. The German diplomatic representative in Denmark (Renthe-Finck and Werner Best - the latter also in his function as Hitler's special deputy for occupied Denmark) and the leading members of their staff are responsible for participation in the extorting of advances and forced loans for other than needs of the occupation army.

e. Ribbentrop and the leading officials of the Foreign Office, as well as its special delegates in trade and other negotiations with Denmark (e.g., Dr. Walther, head of the German delegation in March 1944[1]), can be charged with issuing orders to diplomatic representatives involving extortion of unlawful advances from Denmark, and for actual participation in this process of extortion.

f. The heads and the leading officials of the supreme agencies of the Reich are responsible for participating in the planning of and participation in economic exploitation of Denmark by the extortion of advances beyond the needs of the occupation army and by the use of these funds to acquire agricultural and industrial products from Denmark, with the consequent enrichment of Germany:

i. Goering, Delegate for the Four Year Plan, the central planning and directing agency in economic matters, has an over-all responsibility.

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1. OSS #29797, Stockholm, 10 March 1944.

ii. Backe, Minister for Food and Agriculture and head of the Reich Food Estate and the Reich Peasantry, which planned and cooperated in the exploitation of Danish agricultural resources is responsible.

iii. Speer, Minister for Armaments and War production, who planned and organized the exploitation of Danish industrial resources, can also be charged.

iv. Funk, Minister for Economics and head of the Reichsbank, who participated in the issue of Reichskreditkassenscheine used as a means of coercing Denmark and who organized the Deutsche Verrechnungskasse to levy forced loans from Denmark and use them for enrichment of Germany, is responsible.

v. Schwerin-Krosigk, Minister for Finance, is responsible for his participation in the issue of Reichskreditkassenscheine.

g. As for the various instances of unlawful confiscation and destruction of Danish property by units and members of the German Army, SS, Police, etc., responsibility rests upon the members and units commanders involved, and their superior commanders insofar as they did not prevent such acts. For damage caused by the Schalburgkorpset, SS General Pancke, who exercised command over it, and Himmler, as his superior, can be made responsible.

I. Financial Spoliation of Serbia.

1. Facts. After the occupation of Yugoslavia, the Germans set up a Serbian state under complete German control. Franz Neuhausen was put in charge of the Serbian economy under orders of the military commander for Serbia and of the Delegate for the Four Year Plan. Later Neuhausen took charge of all military administration under orders of the military commander for the Southeast. The most important measure in the field of finances was the liquidation of the Yugoslav National Bank and withdrawal of its notes, which were replaced by currency issued by a newly founded National Bank of Serbia. This institution was chiefly engaged in printing notes to cover the Serbian state's payments to the Germans for occupation costs, to the population for billeting German soldiers, and to the railroads to cover their deficit, as well as state expenditures for public works, including those of strategic necessity, and credits to the Reich Air Ministry for expansion of an airplane factory. In addition, the National Bank, under orders of the German military commander[1] exchanged into its own currency all Reichskreditkassenscheine imported into Serbia and spent there by German agencies and individuals, and financed Serbian export claims against the Deutsche Verrechnungskasse Berlin for exports to Germany. German occupation costs were paid at first at the rate of 240 million Dinar monthly (in 1941/42) and subsequently increased till they reached the figure of 2 billion Dinar before the end of 1943. This reflected both the rise in Serbian prices and the greater needs of the

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[1] Decree of 20 June 1942: Verordnungsblatt of Military Commander in Serbia No. 26.

German Army operating from Serbian territory. German purchases for exports to Germany and for local consumption were so large that the general price level rose considerably. The National Bank had to supply cash for these German needs at such a rate that at times it was unable to print notes fast enough and two to three weeks delays in payment resulted.[1] Serbian note circulation increased by 200 per cent from the end of 1941 until the end of 1943.

In addition to exporting foodstuffs and mining products to Germany and supplying the German army in Serbia with all it needed, Serbia contributed to the German war effort in the following ways: it supplied foodstuffs and various materials to German army units stationed outside of Serbia, especially in the Reich and the General Government; it supplied transportation inside Serbia for German military units moving through the country; it supplied various materials for German organizations such as the OT, for their operations outside of Serbia, especially in Greece and Croatia.[2]

2. Evidence. The draft of a report on Serbia's economic situation under German rule presumably written by Neuhausen and addressed to Göring, has been captured in Belgrade.[3] The data of this document can be verified by interrogation of the Yugoslav Government, German officials active in Serbia (especially Neuhausen) and officials of the German High Command's economic branch.

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[1] OSS CID #111779.
[2] OSS CID #111779.
[3] OSS CID #111779.

3. Evaluation. Germany exacted in Serbia economic contributions of a volume which far exceeded the needs of the occupying army; to finance the German purchases for goods and services locally used or exported occupation costs were collected and credits in clearing accounts exacted without any regard to the needs of the army of occupation proper. In other words, Germany was enriched and a part of its war expenditure covered by Serbian contributions. Germany reorganized Yugoslavia so as to make such exploitation possible by introducing substantial changes in the basic institutions of the country, breaking up its economic unity, introducing new currency, etc. Moreover, German agencies were permitted to issue occupation currency (Reichskreditkassenscheine) in Serbia although all needs of the occupation army were covered by credits of the National Bank of Serbia. All these transactions were unlawful because they had for their objective the enrichment of Germany, and they resulted in economic ruination of the country, as expressed in the deterioration of its currency.

4. Responsibility lies with

a. Göring as Delegate for the Four Year Plan, the leading members of his staff, and NSFK Obergruppenführer Consul Franz Neuhausen for planning, organizing, and directing the financial spoliation of Serbia;

b. Ribbentrop as head of the Foreign Office, and Dr. Hermann Neubacher as Plenipotentiary of the Foreign Office in Serbia, and later as Special Plenipotentiary of the Foreign Office for the Southeast, for participating in the spoliation of Serbia;

c. The German High Command (OKW), its economic branch (Wehrwirtschafts-

amt, and later *Feldwirtschaftsamt*) for planning and directing the exploitation of Serbia;

d. The Reichsbank for participating in the financial spoliation of Serbia (by giving advise, and delegating experts, through the *Deutsche Verrechnungskasse*, etc.)

e. General Felber, Military Commander for the Southeast, who acted as military commander for Serbia and was in charge of German military administration in that territory, for participating in the spoliation.

d. *Spoliation of Industrial Property in Northern Italy.*

1. *Facts.* After Badoglio's defection, the Germans assumed full economic control of Northern Italy, although the "Italian Social Republic" was considered to be an ally of Germany. German controls were exercised through four channels: German army units stationed in Italy; Rahn, the German Minister to Italy, General Leyers, the General Commissioner for Italy of the Reich Ministry for Armament and War Production, and the German Chamber of Commerce in Milan.

In an order of 13 September 1943 Hitler authorized Minister Speer to take all measures necessary for the security of the war industry in Italy; in particular, to transfer machine tools and other essential equipment from territory threatened from the air to other factories, even those in the Reich. Speer was instructed to secure all important installations useful to the war economy and to utilize them for the common war effort, while the Chief of Transport of the Wehrmacht was ordered to supply the necessary transport facilities for evacuation of important machine tools.[1]

Speer appointed General Leyers General Commissioner for Italy (also called Special Commissioner for the Industrial Sector) and set up an agency of the Armament Ministry in Milan which organized both production of war material for German account and also the evacuation of industrial equipment and materials from Italy to Germany. Industrial firms producing war material on German account (e.g., Caproni, Fiat, Breda, Pirelli) were classified as protected works and put under control of German specialists. They enjoyed a privileged position in regard to supply of labor, raw materials, fuel, etc. More and more of the non-protected works were closed down in the course of the time and their equipment and stocks "secured" for the common war effort by evacuation to Germany. For this purpose Leyers employed the Field Economy Commands (Feldwirtschaftskommandos), military units organized to collect behind the front and ship to the rear captured war and industrial materials. In Italy these units operated from stable locations[2] under orders of Major General Leyers and his staff. The German Chamber of Commerce in Milan cooperated with Leyers, and acted on behalf of the Reich in matters of clearing, transfer of property of Germans living in Italy, etc.[3]

An important instrument in German exploitation of Italy was an agreement by which the Italian Social Republic was obliged to pay a war contribution to Germany. Its amount was set on 21 October 1943 at 6 billion Lire monthly and rose to 9 billion and eventually 12 billion Lire.[1] This enabled the Germans to pay high prices for evacuated, requisitioned, or purchased stocks.

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[1] OSS CID #82637: Intelligence Report D-85, AFHQ. G-2.
[2] OSS #A-56033.
[3] OSS CID #89373: PW Interrogation

German-Italian trade relations were reorganized; Germany reduced its deliveries to materials for production and small quantities of coal, grain, and salt; and the exchange value of the Reichsmark was increased from 7.6 Lire to 10 Lire. No figures are available showing German-Italian trade after the capitulation or the amount of the German clearing debt against Italy.

Evacuation of Italian machinery by German agencies assumed in 1944 such proportions that the Italian Social Republic decided to regularize the procedure by concluding an agreement with Germany (on 4 June 1944?) to the effect that transfer to safer places of raw materials, semi-finished, and finished products essential to the conduct of the war and stored in localities exposed to enemy attacks should take place under German orders but only with authorization of the Italian Industrial Committees. The German authorities were supposed to address their requests for transfers to the Committee, and Italian firms were advised to decline any requests made directly to them by any German, including military, authorities.[2] The agreement contained provisions covering payment by Germany for goods transferred to it through the German-Italian clearing. According to PW reports[3] all warehouses and shops in Milan had to declare their stocks to the German authorities, beginning April 1944, most of

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1. Tribunede Geneve, 3 March 1945 (News Digest #1702).
2. OSS #A 51896.
3. OSS CID #89313.

which were bought up and transferred to Germany. Especially sought were clothes, linen, utensils, and farm produce.

Despite this over-all agreement and various special agreements covering specific industries, the Germans did not respect the property rights of Italian industrialists. General Leyers is reported, for example, to have admitted the removal of lead chambers of sulphuric and hydrochloric acid from a factory in Pavia Province.[1] In the fall of 1944 the Germans began to demolish Italian industrial equipment under the pretext of military necessity. The Italian Industrial Committees protested without effect against arbitrary demolition by German military commanders of industrial plants; they pointed out that such actions threatened the future existence of the Italian people. They also protested against the arbitrary removal of materials and equipment indispensable to the Italian economy and not necessary to the war.[2]

2. Evidence.

OSS CID #89373 PW Interrogation
OSS #82637 - Intelligence Report D-85 G-2 Allied Armies
OSS CID # A-53349, A-54742, A-56033, A-51896 , A-55092.
Swiss press quoted in Bern cables (e.g., OSS #6290 of 22 September 1944)
Letter from HQ Allied Commission, APO 394, file 13074/F, 4 May 1945.

Additional evidence can be secured from the Italian Government, and from interrogation of Speer, Kesselring, Lindemann, etc.

3. Evaluation. Hitler's decree of 13 September 1943 ordering the evacuation of Italian machinery was unlawful. The agreement between Germany and the Italian Social Republic did not legalize German actions,

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[1] Popolo e Liberta, (Bellinzona) 20 January 1945 (News Digest #1673).
[2] OSS # A-54742.

because the Neo-Fascist government was not legally constituted and not internationally recognized; its acts, therefore, lacked validity. Moreover, the German authorities, according to the statement of the Italian Industrial Committees, "Flagrantly violated the signed agreements between the two countries, and acted in open opposition to the spirit of cordial collaboration and understanding which should exist between the two allied nations."[1] The evacuation of industrial machinery and materials, and the demolition of Italian plants, was, then, unlawful requisitioning and destruction of private property; it is financed by contributions and forced loans (clearing account credits) levied beyond the needs of the army; and the objective of this requisitioning, purchase, and evacuation of plant and materials and of the forced loans and contributions was clearly to enrich Germany and cover part of the German war costs.

4. Responsibility. Lies with:

a. The German High Command (OKW) and its economic branch, the Feldwirtschaftsamt, for organizing and directing the destruction and evacuation of Italian industrial equipment and materials. Also responsible are Kesselring, as supreme commander of German Forces in Italy, and his staff, especially the officers in charge of Feldwirtschaftskommandos and of transportation, who ordered and executed orders involving the destruction and spoliation of private property.

b. Minister Speer for organizing the spoliation of Italian industrial property, and with his Italian agents, General Leyers, his chief of staff Colonel Gerhard, and the heads of the Feldwirtschaftskommandos stationed in Italy (Major Kümpers, Major Müller, etc.) and their leading employees and officers (Kopetzki, Kurt Schiller, etc.);

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[1] OSS #A-54742.

c. Ribbentrop, Minister for Foreign Affairs; the leading members of his staff; Rahn, the German Ambassador to Italy, and his staff, for collaborating in the spoliation of Italian property;

d. Funk, as Minister for Economics and president of the Reichsbank, for the part he took in the spoliation by concluding a clearing agreement with Italy which resulted in forced loans levied by Germany;

e. Lindemann, as head of the Reichswirtschaftskammer, as well as the leading men in the German Chamber of Commerce in Milan (Dr. Weber of I.G.Farben, Harbeck of Triplex) for assisting in spoliation of Italian property.

III. PRINCIPAL NAZI ORGANIZATIONS INVOLVED

A. Organizations Responsible for the Planning

1. Preparation for War. Although there is little direct evidence available indicating which organizations were before the war engaged in planning the economic exploitation of the countries which Germany later attacked, analysis of German occupation policies and of the pre-war activities of individual officials and agencies seem to justify the following enumeration of probable participants in the preparation of German economic occupation policies.

a. The Foreign Policy Office (Aussenpolitisches Amt) of the Nazi Party. Its head, Alfred Rosenberg, was the protagonist of the new "Drang nach Osten" ideology; in 1941 he became Reich Minister for Occupied Eastern Territories and was followed there by most of his former staff in the Party office. Werner Daitz, in charge of special tasks, probably organized preparations for economic warfare.

b. The War Economy Inspectorate (Wehrwirtschaftsinspektion) of the Supreme Command of Armed Forces (Oberkommando der Wehrmacht - OKW). This office was transformed in 1939 into the War Economy and Armament Office which, under General Thomas, organized German armament production as well as the economic exploitation of occupied territories. The efficiency of the methods used indicates a long period of preparation for the job.

c. The Office of the Delegate for the Four Year Plan (Beauftragter für den Vierjahresplan) Hermann Göring. The objective of the Four Year

Plan was to reorganize German economic structure so as to increase its industrial war potential, reduce its dependence on foreign raw materials and its vulnerability by blockade.

d. The Foreign Office (Auswärtiges Amt). Under Ribbentrop the Foreign Office was, before the war, an instrument of German economic penetration into foreign countries for purposes of war preparation.

e. The other Reich Ministries. The Reich Ministries for Economics, Agriculture and Foodstuffs, Finance, Transportation, and the Reich Food Estate, prepared in their specific fields German policies of occupation. When the war broke out they delegated their experts to the staff of military commanders in occupied countries where they were put in charge of economic matters.

f. The Reich Chancellery and the Party Chancellery. Either or both of these agencies may have served as coordinating posts in view of their direct relation to Hitler, the master-planner.

2. Over-all Direction of Exploitation. During the war the basic policies for economic exploitation of occupied territories were formulated by the same Reich authorities which set up production and distribution plans for the German economy. There is evidence that all important economic measures of the authorities representing the occupant (military commanders, civilian commissioners, etc.) either emanated from, or had been submitted before issuance for the approval of, the supreme Reich agencies in charge of economic matters. There is, for example, the OKW order of 23 December 1943[1] which stated that "the Military

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[1] Allgemeine Heeresmitteilungen, 1944, p. 31

Commander in France has been ordered, in agreement with the competent supreme Reich agencies, to withdraw legal tender quality from the Reichs-kreditkassenschein".

Center of economic planning was the offices of the Four Year Plan; basic problems were probably discussed and, unless Hitler's decision was requested, decided in the Central Planning Board (Zentrale Planung), which consisted of Göring as Chairman, Erhard Milch of the Air Ministry, Paul Körner of the Four Year Plan Office, Walther Funk, Minister of Economics and President of the Reichsbank, and, after October 1942, Albert Speer, Minister for Armaments and War Production and General Commissioner for War Production Tasks.[1] In November 1944, Paul Körner was removed, while Martin Bormann, head of the Party Chancellery, and the SS general Sepp Dietrich, were newly appointed. With Speer's advent to power, preparation of plans relating to industrial production and distribution of raw materials and allocation of production facilities was taken over by the Planning Department headed by Kehrl which Speer established on 4 September 1943 in his capacity as General Commissioner for Armament Tasks in the the Four Year Plan. Agricultural and food problems were handled by the Reich Food Estate and the Reich Ministry for Agriculture and Foodstuffs, financial matters by the Reich Ministry for Economics and the Reichsbank, and partially also by the Reich Ministry for Finance. Transportation in all territories under German rule was organized by the Reich Ministry for Transportation[2] with ocean transportation under jurisdiction of the Reich Commissioner for Ocean Shipping.

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[1] Memorandum by Economic Warfare Division, American Embassy, London, 5 July 1944.

[2] Mitteilungsblatt des Wi-Rü Amt/OKW 1942, p. 147

Policies formulated by one or several of these agencies and integrated and coordinated by all interested authorities were, if their importance warranted it, probably passed on and accepted or changed by Hitler in cabinet meetings held in the Reich Chanceller. In the hands of these agencies was centered the planning of, and supreme control over, the economic life of the occupied countries.

To execute policies outlined by the central agencies there was a duality of organizations, based on a territorial and a functional chain of command, similar to that in the Reich proper. As a rule the functional authorities did not exercise their control over matters in their jurisdiction through a hierarchy of field agencies holding direct authority in occupied territories, but rather issued directives to the local occupation authorities. An example is the authority given the Commissioner General for Construction by the decree of 18 August 1942[1] "to issue directives to agencies exercising Reich authority in the Protectorate, territories appended to the Greater German Reich and occupied territories, including military commanders.

The many field offices, agents, delegates, and representatives of the functional agencies had for the most part functions only of liaison and control; insofar as they exercised any jurisdiction it was by special delegation of such powers from the territorial authority. This organizational scheme was not applied within the incorporated territories, which, of course, were under direct jurisdiction of the Reich authorities. Similarly, the supreme Reich agencies were entitled

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[1] Ibid, p. 130

c. Italy. German controls in Italy were both indirect, through diplomatic channels, and direct. The German Foreign Office sent a Plenipotentiary for Italy, Ambassador Rahn, to Mussolini's "Republican" government, and the Reich Minister for Armaments and War Production was represented by General Leyers as General Commissioner for Italy, heading the Armament Inspectorate in Milan. In many cases, however, the German military commander and his subordinates took matters into their own hands.[1] There was also a German-Italian Chamber of Commerce in Milan.

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[1] See above, II, J.

to issue regulations for the appended territories (Protectorate and General Government) and to make policy decisions aiming at the planning of the German "living and economic space".[1]

B. Central Organizations

1. Civilian Authorities.

a. The Ministerial Council for Reich Defense (Ministerrat für die Reichsverteidigung) This body was established by decree of 30 April 1939[2]; it consisted of Reich Marshal Hermann Göring as chairman; Hitler's deputy, Rudolph Hess (later replaced by the head of the Party Chancellery, Bormann); the General Commissioner for Reich Administration, Frick; the General Commissioner for the Economy, Funk; the head of the Reich Chancellery, Lammers; and the chief of the OKW, Keitel.

The Council was supposed to direct administration and economy during the war, releasing the Führer from the handling of current affairs. It was authorized to issue decrees which had the force of laws. Its administrative agency was the Reich Chancellery, which gave Lammers a central position in all matters handled by the Council. Decrees issued by the Council were signed by Göring and one or several other members.

According to available evidence, however, the Council did not become the central body of German economic control over occupied countries. Only one of the more important decrees regulating economic affairs of occupied (but not incorporated) countries was issued in the name of the Council - namely, the decree on Reichskreditkassen of 3 May 1940.[3]

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[1] For example, decree of 12 October 1939 (RGBI. I,2077) "On Administration of Occupied Polish Terrioties".

[2] RGBI. I,1539

[3] RGBI. I,743

Goring, however, requently used the title of Chairman of the Ministerial Council for Reich Defense when issuing or co-signing decrees referring to occupied countries, suchas:

Hitler's decree of 8 October 1939 on Organization and Administration of the Eastern Territories (RGBl, 1, 2042);

Hitler's decree of 12 October 1939 on Administration of Occupied Polish Territories (RGBl 1, 2042);

Göring's decree of 1 November 1939 establishing the Haupttreuhandstelle Ost, based on Four Year Plan powers (Deutscher Reichsanzeiger No. 260)

Göring's decree of 17 September 1940 on Seizure of Polish Private Property, based on Four Year Plan Powers (RGBl I, 1270)

Hitler's decree of 18 May 1940 on Exercise of Governmental Authority in the Netherlands (RGBl. I, 778)[1]

In regard to the incorporated territories, legislation of the the Council was more frequent , the most important law being that of 16 November 1942[2] by which the Reich Defense Commissioners were given extensive powers over administration and economic affairs in their territorial districts.

b. The Delegate for the Four Year Plan (Beauftragter für den Vierjahresplan). Hermann Göring was appointed by decree of 18 October 1936[3] to direct the so-called Four Year Plan program which consisted chiefly in rebuilding the economic structure of Germany so as to make it, in wartime, independent of foreign raw materials. The Delegate was authorized to issue decrees and directives to the supreme Reich agencies. By decree of 18 October 1940 [4] his powers were renewed with specific directive to adapt his measures to the war necessities.

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[1] The analogous decree on authority in Norway of 24 April 1940 bears no reference to the Ministerial Council.

[2] RGBl I, 649.

[3] RGBl. I, 887

[4] RGBl. I, 1395

Deputy Delegate was Körner.

The Office of the Delegate was not organized but consisted of the Central Planning Board (originally General Council) the highest authority in economic planning[1] divided into four divisions (Geschäftsgruppen):

Reich Commissioner for Prices, Dr. Fischböck
Division for Foodstuffs, under Backe
Division for Foreign Exchange, under Dr. Gramsch
Division for Forests, under lpers

There were also fifteen or more commissioners, special delegates, etc. (see below)

The jurisdiction of the Four Year Plan agency covered also the Reichswerke Hermann Göring, the Reich owned industrial combine, which served as one of the tools of German economic penetration into the business of occupied countries. Representative of the Four Year Plan office in the Reichswerke was Körner.

During the war the Delegate powers over all agencies including military commanders exercising Reich authority in the Protectorate, the General Government, and the occupied territories, with the exception of the zone of operations. Not all of decrees by which these powers were transferred by Hitler are known, but there are numerous references to those which are not available. There is sufficient evidence to support the statement that the Delegate's office was the supreme authority for economic policies applied in theReich and in occupied countries and that all Reich ministries and military authorities in charge of economic matters were subordinated to the Delegate[1].

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[1] see above p. 50.

In a few cases the Delegate appointed commissioners, residing in occupied countries, in order to direct their exploitation; as a rule, however, he exercised his powers by issuing directives usually through liaison officers to the military commanders and civilian agencies which represented German authority in occupied territories.

When Speer expanded his powers over German industrial production he encroached also upon the authority of the Delegate in regard to economic exploitation of occupied countries. This was reflected specifically in the delegation of powers by Göring to Speer as Commissioner General for Armament Tasks, in a decree of 22 May 1942,[2] and the extension into occupied territories of Speer's authority as Commissioner General for Construction by Hitler's decree of 18 August 1942.[3]

The following list contains references to the decrees by which the Delegate was given charge over economic matters in occupied countries:

i. Hitler's decree of 18 August 1942[4] gave the General Commissioner for Construction the same powers as the Delegate had to issue directives to the agencies including military commanders exercising

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[1] Similar statements are to be found in various German publications, e.g. Neue Ordnung, 29 August 1943

[2] Mitteilungsblatt des Wi-Rü Amt/OKW 1942, p. 83

[3] Ibid, p. 130

[4] Mitteilungsblatt des WI-Rü Amt/OKW 1942, p. 83

Reich authority in the Proctectorate and the appended and occupied territories.

ii. Hitler's decrees by which incorporation into the Reich of Austrian, Czech, Polish, Belgian, and other territories was proclaimed were considered to have the implicit effect of extending the Delegate's jurisdiction into these territories.[1] Subsequent decrees issued by the Delegate or his subordinates referred to these basic decrees and established regulations in his sphere of authority. Examples of such decrees:

Göring Decree introducing the Four Year Plan in Austria (RGBl. 1938, I, 247)

Göring Decree introducing the Four Year Plan in the Sudetenland (RGBl, 1938, 1, 1392)

Göring Decree of 30 October 1939 introducing the Four Year Plan in the Eastern Territories.[2]

Göring Decree of 17 September 1940 on Seizure of Property of Polish Citizens.[3]

Göring Decree of 1 November 1939 establishing the Haupttreuhandstelle Ost.[4]

Decree of the Reich Commissioner for Prices of 12 June 1940 introducing German price controls into Eupen, Malmedy, and Moresnet.[5]

iii. Hitler's decree of 12 October 1939[6] on Administration of occupied Polish territories authorize the Chairman of the Ministerial

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1. Stuckart I, p. 129
2. RGBl. 1939, I. p. 225
3. RGBl. 1940, I, p. 1270
4. Deutscher Reichs-und Preussischer Staatsanzeiger, 1939 No. 260
5. RGBl, 1940, I. p. 870
6 RGBl. 1939 I, 2077

Council for Reich Defense and Delegate for the Four Year Plan to make applicable in the General Government decision necessary for planning of the German economic life.

iv. Hitler's decree of 29 July 1941[1] on the exploitation of the newly occupied Eastern territories for the German war effort made the Delegate responsible for the effective realization of war economic measures[2]; he was given direction of the economic policies of the Ministry for Occupied Eastern Territories[3].

v. An example of direct action of the Delegate in regard to the Proctectorate was the decree on currency in the Protectorate of 21 March 1939[4] which he signed jointly with the Reich Minister of Economics, the Reich Minister of Interior, and the Reich Minister of Finance.

vi. No decree extending the Delegate's jurisdiction within the western occupied countries is known, but there is a decree of 28 August 1940[5] in which Göring assumed responsibility for exploiting these territories to the benefit of the German war effort; on the basis of this the German military authorities issued executive regulations.

vii. Goring appointed a Plenipotentiary for Economy in Serbia (Neuhausen) who was responsible to the Delegate for the Four Year Plan but acted as chief of the military administration, thus combining authorities delegated by Goering and by the Military Commander Southeast.[1]

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[1] Referred to in Mitteilungsblatt des Wi-Rü Amt/OKW 1942, p. 83

[2] Oberreigierungsrat Labs in Ostwirtschaft, August 1942

[3] Deutsche Bergwerkszeitung, 13 August 1944

[4] RGBl, 1939, I, p. 555

[5] Vierjahresplan directiv #14395, quoted in Kommentar zur Wirtschaftsgesetzgebung.

By virtue of his position as central authority for exploitation of the economic capabilities of all occupied territories, the Delegate appointed numerous commissioners to fulfill specific tasks in some or all German occupied countries:

General Commissioner for Armament Tasks (Speer)[2]

General Commissioner for Construction (Speer)[3]

General Commissioner for Special Problems of Chemical Production (Krauch)[4]

General Commissioner for Motorization later called Commissioner for Motorization (Kühn)[5]

Delegate for the Promotion of Oil Production (Bentz)[6]

Delegate for Scrap Collection in all Occupied Territories (Major Schu)[7]

General Commissioner for Labor Supply (Sauckel)[8]

General Commissioner for Metal Ore Mining in the Southeast, Belgrade (Neuhausen)[9]

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1. Das Reich, 27 August 1944.
2. See section on Reich Ministry for Armaments and War Production, III, B, e.
3. Ibid.
4. See next page for field agencies.
5. See page 60 for functions.
6. Taschenbuch 1943, p. 10.
7. Also listed as agency subordinated to the Wehrwirtschafts- und Rüstungsamt in the OKW (Mitteilungsblatt des We-Ru Amt 1942, p. 46)
8. See R&A 3113.5 and 3113.7.
9. Taschenbuch 1943, l.c.

Commissioner for Oil Questions in the Southeast, Bucharest (Neubacker)[1]

Special Delegate for Timber Supply in the occupied southeastern Soviet Russia, Kiew (von Majowski)[2]

Haupttreuhandstelle Ost (Winkler)[3]

Inspector for Control of Raw Materials in Belgium and France[4]

Some of the above enumerated commissioners and delegates operated directly in occupied territories, others had field offices and liaison officers attached to the local German authorities, and some issued directives to these authorities, which acted as their agents in their specific field of control.

The General Commissioner for Special Problems of Chemical Production, in accordance with a decree of the Chairman of the Ministerial Council for Defense of the Reich and Delegate for the Four Year Plan of 7 January 1942 and an order of the OKW of 10 January 1942,[5] was represented through delegates on the military agencies in charge of economic matters in the Reich and in some occupied countries. Their duty was to support the realization of the mineral oil program. In the Reich these delegates were attached to the Army corps district; the delegate for occupied and unoccupied France was attached to the Wirtschafts- und Rustungsstab Frankreich (then still under OKW), and the delegate for Belgium, Northern France, and the Netherlands was

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1. Taschenbuch 1943, l.c.
2. Ibid.
3. Deutscher Reichs- und Preussischer Staatsanzeiger 1939, No. 260.
4. Sonderanordnungen of Military Commander in Belgium and Northern France, 14 November 1940.
5. Mitteilungsblatt des Wi-Ru Amt/OKW 1942, p. 19

attached to the Military Commander for Belgium and Northern France, Central Order Office.

The General Commissioner for Motorization was renamed Commissioner for Motorization, and von Schell replaced by Kühn, by Goering's decree of August 1942 which transferred his powers over construction of motor vehicles to the General Commissioner for Armaments.[1] The latter established then a motorization branch in his agency. The Commissioner for Motorization was appointed by OKW order of 10 September 1942 General of Motorization; his functions comprised distribution of new and requisitioned cars to military and civilian users, and, specifically, in the occupied Eastern territories; operation of Russian motor factories, except those taken over by the General Commissioner for Armaments; rebuilding of motor vehicles for gas generators; planting of rubber plants; operation of all road transport services,[2] and, in the occupied western territories, in addition to some of the above functions, exclusive purchasing of motor cars, for which purpose a "Field Office West" was set up in Paris.[3]

The Delegate participated in the formation of various monopoly companies which served as instruments for exploitation of occupied Soviet territories, e.g., the *Wirtschaftseinsatz* Ost GmbH, Berlin, which organized all commerce, directed import and export, and controlled

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1. *Mitteilungsblatt des Wi-Ru Amt/OKW* 1942 p. 130.
2. *Ibid* p. 132
3. *Ibid* p. 154.
4. According to a PW interview Colonel Thoenissen, chief of the Commissioner's office, tried to organize the European motor industry to secure the collaboration of non-German producers. (War Department PW Interrogation Report #4584)

production of consumer goods in the East.[1]

On 28 August 1940[2] the Delegate ordered the formation of Central Order Offices (Zentralauftragsstellen) to organize the exploitation of western European industrial facilities for the German war effort. These agencies operated under directives issued by the economic branch of the military administration in France and Belgium and the civil administration in the Netherlands, jointly with the regional Armament Inspectorates (the field offices of the economic branch of the OKW and, after 1942, of the Speer Ministry). They coordinated purchasing activities of German military and civilian agencies and business firms in western Europe and, with the help of the occupation authority, directed the distribution of raw materials, fuel, labor, etc. so as to assure the maximum industrial production for German account. In Norway, the functions of a Central Order Office were exercized directly by the Reich Commissioner's office, in Denmark by the War Economy Staff, and in Serbia by the General Commissioner for Economy under the Delegate for the Four Year Plan.

c. The Reich Ministry of Interior. This ministry, under Frick, was in charge of incorporation of annexed territories and of coordination of occupied policies. Its department charged with affairs of incorporated territories and occupied countries was headed by State

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[1] OSS R & A Report No 2500.8: "German Military Government over Europe: The Ostland and Ukraine"

[2] Vierjahres plan directive #14395, quoted in Kommentar zur Wirtschaftsgesetzgebung.

Secretary Stuckart. The Ministry formulated legislative acts pertaining to the annexed and occupied territories and served as liaison between the occupation authorities and the Reich central agencies in charge of economic matters.

The Ministry was appointed central agency for implementation of the decrees establishing German sovereignty in occupied territories:

Austria: Decree of 23 March 1938, RGBl. 1,407
Protectorate: Decree of 16 March 1939, RGBl. 1,780
Memel: Decree of 23 March 1939, RGBl. I, issue 54
Sudetenland: Decree of 14 April 1939, RGBl. I,780
Eastern Territories: Decree of 8 October 1939, RGBl. I, 2042
General Government: Decree of 12 October 1939, RGBl. I, 2077
Eupen, Malmedy, Moresnet: Decree of 23 May 1940, RGBl. I, 803

d. The Reich Ministry for Economics. This ministry, after its reorganization by Goering's (as Delegate for the Four Year Plan) decree of 4 February 1938,[1] was considered to be the administrative center of German economic controls, with the exception of agriculture and foodstuffs, labor, transportation, forests, and price controls. The Minister, Walther Funk, was at the same time President of the German Reichsbank (q.v.). In 1939 he was appointed General Commissioner for the Economy, but with this title he did not acquire any new authority; it meant simply that he held all powers given to the Ministry and the Reichsbank, while all other economic controls were centered in the hands of the Delegate for the Four Year Plan.[1] Among the decrees signed by the General Commissioner for the Economy and referring to occupied territories was the decree on Reichskreditkassen of 3 May 1940 (RGBl I, p. 743).

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[1] Stuckart, I, p. 153.

During the first years of the war the Minister directed German industry, trade and banking, distribution of goods (except agricultural products), foreign trade and exchange, and headed the corporative organization of German business firms. After 1942, however, the Ministry lost its control over industrial production to Speer's various agencies; under Funk's jurisdiction remained the distribution of industrial goods, foreign trade and exchange matters, control over banking and insurance.

The Ministry for Economics was responsible for German trade and exchange policies[2] before and during the war, and for the trade and exchange policies which the German occupation authorities imposed on occupied countries. The jurisdiction of the Ministry covered the German Clearing Bank (Deutsche Verrechnungskasse) and the Reichskreditkassen, which were the chief instruments in the financial exploitation of occupied countries. One of the sections of the Ministry of Economics was specifically organized to deal with economic problems of newly occupied Eastern territories.[3] It was headed by Ter Nedden who in 1945 was head of the industrial section in the Feldwirtschaftsamt (q.v.). The Foreign Exchange and Foreign Trade Division organized the production of German capital into foreign business especially in occupied countries. The Dienststelle AO in the same division organized the cooperation of the Ministry with the Foreign Organization (AO) of the Nazi Party.[4]

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1. Ibid. p. 162.
2. Decree of 12 December 1938, RGBl. I, p. 1733.
3. Taschenbuch 1943, p. 38.
4. R&A CID #137979.

Under the jurisdiction of the Reich Ministry for Economics were also the (non-agricultural) Reichsstellen, the government agencies in charge of distribution of raw materials, semi-finished, and finished products of specific industries.[1] The Reichsstellen also controlled import and export of these goods and took a direct part in purchasing materials in occupied countries. Most Reichsstellen or the Commissioners in charge of the specific industry had branches in occupied territories or representatives in the staff of the German military (or civilian) commanders of occupied countries.[2] The Commissioner in charge of the German Rubber Industry, for example, delegated General Jehle to the staff of the Military Commander of France, who appointed him as head of the German rubber controls in France.[3] The Reichsstelle Technischer Erzeugnisse purchased industrial diamonds in occupied Belgium the free sale of which was restricted by German orders.[4] An example of direct measures taken by the Ministry in connection with German exploitation of occupied countries is the establishment of the Einkaufsring Frankreich as the center for German importers from France.[5]

For the activities of the corporative organization of German business and the German chambers of commerce abroad, see section III B, 3.

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[1] See R&A No. 2106, "Control over Distribution of Industrial Materials of Production in Germany".
[2] OSS, CID #XL-1928.
[3] OSS, CID #XL-5910 (Comm. Intell. Objective Subcomm. No. 22, File I-8).
[4] OSS, CID #81424.

e. The Reichsbank. Under President Schacht, and, since 1938, Funk, the Reichsbank was an important instrument in German economic penetration of foreign countries before the war[1] and of financial exploitation of occupied countries during the war. The Reichsbank supplied nearly all experts who, on behalf of German military or civilian authorities, took over control of central and private banking in occupied territories and directed the activities of German-founded note-issuing institutions.[7] The Reichsbank also organized the Reichskreditkassen, the German military banks, and supplied two of the directors and most of the personnel for these institutions[2]. The Reichskreditkassen were used by Germany to exploit the Eastern territories through organized inflation and to force the Western countries to finance German expenditure in local currency so as to avoid Reichskreditkassen currency from being issued in their territories.[3]

f. The Reich Ministry for Finance. Under Schwerin von Krosigk, this ministry[4] participated in the formulation of financial policies applied in, and in the financial exploitation of, occupied territories. The Minister signed various decrees directly applying to annexed territories and appended territories (e.g., the decree establishing the exchange rate of the Protectorate currency[5], ordinance establishing Reichskreditkassen[6]). German financial policies in occupied countries were formulated and financial activities of occupation authorities controlled by the Ministry.[8]

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[1] The use of commercial debts, trade and clearing agreements as means to exercise economic pressure and blackmail was Schacht's invention.

[2] Decree of 3 May 1940, RGBl. I, p. 743.

[3] Neues Wiener Tagblatt, Vienna, 25 January 1944.

[4] For organization, see Taschenbuch, 1943, p. 28 following.

[5] Reichsgesetzblatt 1939, part I. p. 555.

[6] Verordnungsblatt (France), No. 9 of 18 May 1940.

[7] For its participation in disposition of SS loot, see OSS, CID #137979.

[8] OSS, CID #XL-11915 (CSDIC-UK, PW paper 113).

The Ministry exercised control over financial institutions which served as an instrument of financial exploitation of the Protectorate (e.g. the Deutsche Zentralgenossenschaftskasse) and the Finance Offices which collected customs duties and excise taxes there. The Ministry was involved in the financial deals of and the granting of tax privileges for prominent Nazi Party members[1] Among its responsibilities was also the participation of the Reich in certain enterprises,[4] international financial negotiations, preparation of future peace treaties, and control over the Haupttreuhandstelle Ost, the agency which (under the Delegate for the Four Year Plan) served as an instrument for the expropriation of property belonging to Polish citizens. Among the agencies controlled by the Ministry was also the Reichsmonopolverwaltung für Branntwein which purchased alcohol in France[2] It also played a leading role in the organization of the Reichskreditkassen[3] the military banks which were an important instrument of financial exploitation of occupied territories.

g. The Reich Ministry for Food and Agriculture. This ministry under Darre and later Backe (who headed the Division for Foodstuffs in the Four Year Plan Office) operated directly in the incorporated territories and participated in the planning and exploitating of the agricultural resources of the other occupied countries. A special section in the Ministry handled agricultural resettlement of annexed territories; its head was Hiege, section chief in the office of the Reich Commissioner for

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[1] OSS CID #125422: "Interrogation of Dr. H. Oeftering."
[2] OSS CID #106909.
[3] Decree of 3 May 1940, RGBl. I, p. 743.
[4] e.g., the Reichswerke Hermann Goring and the VIAG combines, and the so-called Eastern companies.

Strengthening of German Nation.[1] The Ministry's officials studied the supply situation in European countries and were later delegated to the staff of the occupation authorities, where they were put in charge of matters relating to food and agriculture (e.g., Dr. Fritz Reinhardt, head of the respective division in the Military Commander's staff in France worked as an employee of the Ministry on Food Supply in France, Belgium, and the Netherlands). Subordinated to the Ministry was the Reichsnährstand (Reich Food Estate) headed by Minister Darre, and later, Minister Backe, as Reichsbauernführer (Leader of the Reich Peasantry) which controlled production, processing, and marketing of food in the Reich, including the incorporated territories.[2] Under the Reich Food Estate operated the agricultural Reichsstellen which controlled import and export of foodstuffs; they were represented in the agricultural control agencies of the Protectorate, the General Government, and the Occupied Eastern Territories and thus exercised a certain degree of direct influence on the agriculture of these countries.[3]

The Reich Food Estate, and specifically the administrative office of the Reich Peasant Leader, cooperated closely with the military and civilian agencies in charge of occupied Eastern territories, especially with the Wirtschaftsstab Ost (q.v.) and Rosenberg's Eastern Ministry (q.v.); they delegated officials and supplied experts to act as agricultural

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1. Taschenbuch 1943, p. 53.
2. See CAD: Germany, Basic Handbook, Part II, Administration.
3. e.g. Der Neue Tag, Prague, 15 December 1942; for further documentation see studies of 2500 series.

leaders operating and controlling farms in the East. The Ministry also participated in the foundation of various Eastern companies which were given monopolies in trading and production in the East[1] (e.g., the *Zentralhandelsgesellschaft Ost*), and in the *Reichsgesellschaft für Landbewirtschaftungs GmbH* called "Ostland," and later "Reichsland," which organized the settlement by Germans of Polish land in the incorporated territories in the East[2], and also operated farms in the so-called forbidden zone (that is, under stricter military supervision) in France.[3]

h. *The Reich Forestry Office*. This office under Göring and his delegate Alpers, did not operate in occupied countries except in the incorporated territories, where it was responsible for all measures involving forestry and forest exploitation.[4] A liaison section of the Reich Forestry Office, however, directed the activities of the German authorities in the occupied countries in regard to forestry.

i. *The Reich Ministry for Transportation*. The Minister, Dr. Ing Dorpmüller, was at the same time General Manager of the Reichsbahn. The Ministry was the chief instrument for organization and integration of railroad facilities in all territories under German control. Railroad lines in incorporated territories were taken over by the Reichsbahn directly; the railroads in the Protectorate were controlled through the office of the Reich Protector; the railroads in the General Government were organized by Reichsbahn officials as *Ostbahn*, and the *Generaldirektion der Ostbahn*

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1. For details see *German Military Government over Europe*: *Ostland and the Ukraine* (2500 series).
2. *Oberschlesische Zeitung*, 24 July 1943, and *Frankfurter Zeitung*, 15 May 1943.
3. See OSS R&A No. 2500.3 , *German Military Government over Europe*: *France*.
4. *Taschenbuch* 1943, p. 79.

in Krakow, a branch of the General Government's administration, was considered to be under supervision of the Reichsbahn[1]; the Reichsbahn delegated a plenipotentiary to Copenhagen[2], but in the other western countries German controls were exercised by the military transport agencies (*Wehrmachttransportleitung*, *Transportkommandantur*, etc.) attached to the territorial authority. The Reich Minister for Transportation was ordered by Hitler's decree of 23 October 1942[3] to take over for administration and disposition all movable and immovable property of the USSR, its member states, corporations, and associations as far as needed for his purposes, to organize and operate the railroads as "special property" and hold all other assets taken over as trustee property. The personnel operating in the eastern occupied territories was placed directly under the Minister. The Minister was ordered to cooperate closely with the Reich Minister for Occupied Eastern Territories, the Delegate for the Four Year Plan, and the Reich Minister of Finance.

k. *The Reich Commissioner for Ocean Shipping*. This official, Gauleiter Kaufmann, was on 5 July 1942 put in charge of all shipping under German control, which included the ocean vessels of occupied countries.[4] He was directly responsible to Hitler, but was listed

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1. *Taschenbuch* 1943, p. 70.
2. *Mitteillungsblatt des Wi-Rü Amt/OKW* 1942, p. 97.
3. Ibid., p. 147.
4. *Völkischer Beobachter*, 9 September 1942, and *Taschenbuch* 1943, p. 72.

among the agencies under jurisdiction of the Transportation Ministry. His delegates were stationed all over German Europe:

Delegate for Ocean Shipping for the occupied Norwegian Territories
" " " " " " " Dutch and Belgian Territories
" " " " " " " France
" " " " " " Ostland
" " German Shipping in the Black Sea

Delegate of the Reich Commissioner for Ocean Shipping for Unoccupied French Territory.[1] He cooperated with the German Armistice Commission.

In addition, shipping experts represented Kaufmann in the German legations in Italy, Denmark, Sweden, Finland, Rumania, Bulgaria, Turkey, Spain and Portugal.

1. The Reich Minister for Armaments and War Production. This Ministry participated actively in the mobilization of the industrial resources of occupied territories. It was established on 17 March 1940 [2] as the Reich Ministry for Weapons and Ammunition. Its jurisdiction covered only production of ammunition. Its territory extended over the Greater German Reich, including the incorporated territories, the Protectorate, and the General Government.[3] Albert Speer was appointed Minister in February 1942; he expanded the Ministry's authority and his own additional powers in many directions:

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[1] "Besondere Wirtschaftsanordnungen" of Military Commander in France, issue 49.
[2] RGBl. 1940, I, 513.
[3] Stuckart I, 165.

i) He organized Committees and Rings staffed by engineers and managers, to control production of armament equipment and components, and extended their scope in 1943 from army equipment to naval, and, in 1944, to air force equipment, and assumed control over production committees directing the manufacture of civilian goods;

ii) He was appointed on 14 March 1942 to the new post of Commissioner General for Armament Tasks under the Four Year Plan, which gave him the legal foundation for extending his authority over agencies and branches of war production previously beyond his control. Attached to Speer in his new position were, successively, several sections of the Four Year Plan organization, especially the Motorization Branch and the Central Office for Generators.

iii) He incorporated in May 1942 into his Ministry the Armament Department of the *OKW-Wirtschafts- und Rüstungsamt*, together with its important regional organization of Armament Inspectorates and Commands (see list below).[1] The other branch of the *Wi-Rü-Amt*, the *Wehrwirtschaftsamt*, remained in the OKW, but its functions were confined to internal economic matters of the military and exploitation of countries under German military administration. Even these functions, however, were progressively narrowed by Speer's field agencies, the Armament and Procurement Staffs, etc.[2]

iv) He established in 1942 his authority over the *Reichsstellen* (functional agencies under the Reich Ministry for Economics - q.v. - engaged in directing the distribution of raw materials and products) insofar as their functions concerned armament production, and had his close collaborator, Hans Kehrl, appointed head of the principal economic control department in the Reich Ministry for Economics; in the fall of 1942, the whole department was transferred to the Armament Ministry. The decree of 2 September 1943 [1] deprived Funk altogether of his powers over production.

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[1] Hitler decree of 7 May 1942, quoted in *Mitteilungsblatt des Wi-Rü Amt/OKW*, 1942, issue 10.

[2] American Embassy, London, Report: "The Reich Ministry of Armaments and War Production," April 1945.

v) Speer was authorized by Göring's decree of 16 November 1942 [2] to establish regional Armament Commissions in which all regional agencies engaged in war production control were to be represented; their work was coordinated under leadership of the chairman, who operated under Speer's orders.

vi) Speer was appointed in October 1942 a member of the Central Planning Board (originally General Council) under the Four Year Plan, the highest authority engaged in economic planning; he established on 4 September 1943 the Planning Office under Kehrl, attached to the office of the Commissioner General for Armament Tasks, and thus centralized under his control the processing of all policy questions of war economy planning. The Planning Office was supplied with necessary data by the Reichsstellen and in turn issued them orders regarding the distribution of raw materials; this planning and directing covered the Reich as well as all occupied territories.[3]

vii) The Speer Ministry's name was changed by the decree of 2 September 1943 [4] into Ministry for Armament and War Production, its preeminence in the whole field of war production established, and the

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[1] RGBl. 1943, I, 529.
[2] RGBl. 1942, I, 649.
[3] American Embassy, London, op. cit. p. 17.
[4] RGBl. 1943, I, 529.

Ministry for Economics and its subordinate offices degraded to the rank of an executive agency of the Speer Ministry. This was brought out by a joint decree issued by Speer and Funk on 29 October 1943.[1]

viii) Speer's decrees on simplification of the Ministry's organization, dated 12 and 15 November 1944,[2] changed only the inner set-up, not the authority of the Ministry.

Minister Albert Speer after 1943 played the decisive role in planning and directing German industrial production; his authority extended also into occupied territories. He used the Armament Ministry as an organizational center but employed his positions as member of the Central Planning Board and as Commissioner General for Armament Tasks (Generalbevollmächtigter für Rüstungsaufgaben) in the Four Year Plan to assume and use the far-reaching authorities of the Delegate for the Four Plan in the field of industrial control. The planning and formulation of proposals for integrated industrial exploitation of occupied territories was the duty of the Planning Department in the ministry headed by Kehrl. Its supply and allocation plans for industrial materials included data on production and consumption in all occupied territories.

Reich Marshall Göring, by virtue of his powers as Delegate for the Four Year Plan regarding the economy of the occupied eastern territories as given in the decree of 22 May 1942[3] authorized Speer as Commissioner General for Armament Tasks to organize the production of weapons and

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1. Quoted in Foreign Economic Administration, "The Reich Ministry of Armament and War Production (Speer Ministry)," February 1945.
2. Quoted in Foriegn Economic Administration, op. cit.
3. Mitteilungsblatt des Wi-Rü Amt/OKW 1942, p. 83.

ammunition and the construction of power plants in these territories, and, specifically, to decide which plants should be used for this purpose and to exercise full authority over them.

Speer's authority as Commissioner General for Construction was extended by Hitler's decree of 18 August 1942[1] into the Protectorate, territories appended to the Greater German Reich, and occupied territories; the decree gave Speer "the same powers of issuing directives to agencies exercising Reich authority, including military commanders, as those held by the Delegate for the Four Year Plan." He was also given the right to appoint delegates responsible to him. These authorizations did not extend into the zone of operations.

In his capacity as Inspector General respectively for Water and Energy, and for Roads, responsible directly to Hitler[2] Speer's authority also extended into occupied territories. In regard to waterways he issued directives to the *Regierung* of the General Government, the Reich Protector in Bohemia-Moravia, and the Reich Commissioner in occupied Dutch territories.[3] By a decree of 9 June 1942[4] Hitler gave him authority to direct public works in occupied territories. Speer integrated most of his activities in the field of public works, construction, etc. in occupied countries in a more or less uniform regional organization, such as the Technical Control Office Ostland, which engaged through local agencies in railroad, highway, waterway, and similar construction work with the help of the *Organisation Todt*, also headed by Speer.

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[1] Ibid. p. 130.
[2] CAD Handbook, p. 40, 41.
[3] *Mitteilungsblatt des Wi-Rü Amt/OKW* 1942, p. 23.

Speer as Reich Minister for Weapons and Munition was represented, too, by delegates to the German authority in the Netherlands, Belgium, Luxemburg, France, the Protectorate, and the General Government.[1] These delegates, it appears, were recalled when Speer took over the Armament Department of the *Wi-Rü Amt/OKW* and its subordinated Armament Inspectorates and Commands (*Rüstungsinspektionen*, *Rüstungskommandos*). The field agencies in question continued to be staffed with Army officers even under Speer. They supervised in occupied territories industrial production for German account and exercised direct control of industrial plants engaged in armament production and the manufacture of some finished products.[2] They did not exercise any direct powers but used the territorial authorities as an instrument of command. Jointly with these authorities they organised the Central Order Offices[3] which coordinated German exploitation of western European industries.

The Armament Department of the Ministry was, for the first few months after its transfer to Speer, headed by General Thomas, and then by Lt. Gen. Wäger, who in January 1945 was relieved by Theodor Hupfauer.

The following list emmerates the Armament Inspectorates, Armament Commands, and War Economy Officers and Staffs which in April 1942 acted as field agencies of the armament section of the *Wehrwirtschafts- und Rüstungsamt* in the OKW, and were taken over by Speer in accordance with Hitler's decree of 7 May 1942.

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1. *Mitteilungsblatt des Wi-Rü Amt/OKW* 1942, p. 36.
2. *Besondere Wirtschaftsanordnungen* of Military Commander inFrance, issue 49.
3. See above, page 61.

Armament Inspectorate I Koenigsberg (Colonel Rueggemann)
Armament Inspectorate II Stettin (Admiral Packcross, Engineers)
Armament Command Schwerin
Armament Inspectorate III Berlin (Lt. Gen. Stieler v. Heydekampf)
Armament Command Berlin I
" " Berlin II
" " Berlin III
" " Berlin IV
" " Potsdam
" " Frankfurt a.d. Oder
Armament Inspectorate IV Dresden (Lt. Gen. Friedensburg, Landwehr)
Armament Command Dresden
" " Chemnitz
" " Leipzig
" " Halle
" " Reichenberg
Armament Inspectorate V Stuttgart (Col. Klett)
Armament Command Stuttgart
" " Ulm
" " Villingen
" " Strassburg
Armament Inspectorate VI Muenster (Col. Erdmann)
Armament Command Dortmund
" " Osnabrueck
" " Bielefeld
" " Koeln
" " Luedenscheid
" " Essen
Armament Inspectorate VII Munich (Maj. Gen. Roesch, Landwehr)
Armament Command Munich
" " Augsburg
Armament Inspectorate VIII Breslau (Lt. Gen. Leykaut)
Armament Command Liegnitz
" " Kattowitz
Armament Inspectorate IX Kassel (Maj. Gen. Hillert, Engineer)
Armament Command Kassel
" " Frankfurt a.M.
" " Giessen
" " Eisenach
" " Weimar
Armament Inspectorate X Hamburg (Vice Admiral Aneker)
Armament Command Hamburg I
" " Hamburg II
" " Bremen
" " Kiel
Armament Inspectorate XI Hannover (Adm. Stieringer, Engineer)
Armament Command Hannover
" " Magdeburg
" " Dessau
" " Braunschweig

Armament Inspectorate XII Wiesbaden (Lt. Gen. Lohmann)
Armament Command Mannheim
" " Koblenz
" " Saarbrücken (Field Office Luxemburg)
" " Metz
Armament Inspectorate XIII Nuernberg (Col. Freiherr v. Greilsheim, Landwehr)
Armament Command Nuernberg
" " Wuerzburg
" " Koburg
" " Karlsbad
Armament Inspectorate XVII Vienna (Lt Gen. v. Gautier, Landwehr)
Armament Command Vienna
" " Moedling
" " Linz
Armament Inspectorate XVIII Salzburg (Col. Becke)
Armament Command Graz
" " Innsbruck
" " Klagenfurt
Armament Inspectorate XX Zoppot (Adm. Staehler)
Armament Inspectorate XXI Litzmannstadt (Col. Lebranft)
Armament Command Litzmannstadt
Armament Inspectorate Prague (Maj. Gen. Schuetze, Landwehr)
Armament Command Prague
" " Bruenn
Armament Inspectorate in the Government General (Lt. Gen. Schindler)
Armament Command Cracow
Warsaw (Field Office Radom)
Lemberg (Lwow)
Armament Inspectorate Ostland (Maj. Gen. Janssen)
Armament Command Riga
" " Kauen
" " Minsk
" " Reval

Armament Inspectorate Ukraine
Armament Command Schepetovka
" " Kiev
" " Dniepropetrovsk

War Economy Staff Denmark - Copenhagen (Captain Dr. Forstmann, Naval)
War Economy Staff Norway (Lt. Gen. Wintzer)
Economic officers (WO) at
Bergen
Trondheim
Tromsoe
Oslo
Kristiansund
Stavanger
Lillehammer
Kirkenes
Narvik

Armament Inspectorate the Netherlands, Baarn (Adm. Reimer)
field offices - Rotterdam and Amsterdam
Armament Inspection Belgium - Brussels (Maj. Gen. Franssen, Landwehr)
Armament Command Brussels
" " Charleroi
" " Leige
" " Lille with field office

War Economy and Armament Staff (Wi Rü) France, Paris (Lt. Gen. Barckhausen)

The War Economy and Armament Staff comprises:
Armament Inspectorate A (Paris and North Western France)
at Paris (Maj. Gen. Rundt. v. Collenberg, Landwehr)
Armament Command Paris I
" " Paris II
" " Rouen
" " Orleans
and field offices
Armament Inspectorate B (South West France) at Amiens
(Naval Captain Henrici)
Armament Command Bordeaux
" " Le Mans
" " Niort
" " Vannes with field office
Armament Inspectorate C (South East France) at Dijon
(Col. Count v. Vitztum and Eckstadt)
Armament Command Besançon
" " Nancy
" " Nevers
and field offices

War Economy Staff South East
Semlin near Beograd (Col. Braumueller, Landwehr)
The German War Economy officers
at Saloniki
Agram
Sofia
Rumania
others
in Slovakia at Pressburg
in Italy
in Sweden
in Transnistria at Odessa
in Finland
in Lisbon
The German Industrial Commission at Bern

Sources: Mitteilungsblatt des Wehrwirtschafts-und Ruestungsamtes im O.K.W.
Year 7, No. 7, April 16, 1942.
No. 9, May 10, 1942.
No. 6, March 25, 1942.

At later dates, various changes took place in this organization, such as the establishment of a Deutsches Beschaffungsamt Frankreich (German Procurement Office France)[1] on 1 August 1942, as the seat of the Chief of the Armament Staff France; later, the Procurement Office and Armament Staff were merged into the Rüstungs- und Beschaffungsstab Frankreich (Armament and Procurement Staff France) which acted as the central post for the Armament Inspectorates and Commands in France.[2]

In accordance with Hitler's order of 13 September 1943[3] Speer appointed General Leyers as his General Commissioner for Italy; Leyers and his staff organized the evacuation of Italian industrial plant and material.

Speer set up as well a number of corporations to act officially or unofficially as agents of the Armament Ministry in Germany and foreign countries:

(1) The Rohstoffhandelsgesellschaft mbH (abbrev. ROGES). This was engaged in the purchasing and transfer of raw materials and machinery from occupied countries to Germany. It worked closely with military requisitioning units (Feldwirtschaftskommando, see below) and purchased from the OKW the requisitioned material.[4]

(2) The nominally independent Pimetex corporation. It operated in the black market in France and Belgium and smuggled goods from neutral countries.[5]

For the role of Speer's Committees and Rings in the exploitation of occupied territories see Section III B, 3, c.

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[1] Mitteilungsblatt des Wi-Rü Amt/OKW 1942, p. 114.
[2] Military Intelligence Research Service, report #176.
[3] Intelligence Report D-85, AFHQ, G-2; OSS CID 82637.
[4] OSS CID 127324, Economic Warfare Division Report.
[5] Ibid.

m. The Foreign Office. Under Ribbentrop, the Foreign Office served as an instrument of economic exploitation of the satellite states (Slovakia, Croatia, Greece), of Germany's allies (Italy, Rumania, Bulgaria) and of occupied Denmark, where German controls were exercised and economic claims presented to the native governments through diplomatic channels. The Foreign Office further participated in negotiations over foreign trade and payments, preparing German economic penetration into and financial exploitation of other countries. Its foreign representatives cooperated closely with the organizations of the Nazi Party and the German Chambers of Commerce abroad. The Foreign Office also represented the interests of the Protectorate's and the General Government's citizens in foreign countries. Ribbentrop personally claimed authority to seize art treasures in occupied countries[1] and the German Embassy in France confiscated various art treasures.[2]

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[1] See Göring's letter of 21 November 1940 in "Collection of Documents Pertaining to Confiscation of European Art Treasures" (G-5 Seventh Army, 19 May 1945.)

[2] See documents sent to G-5 Seventh Army from MFU #5, SAIC, item 41.

2. Military and Party Authorities

a. OKW -- Economic Branch. Military administration of occupied territories was directed from the Supreme Command of Armed Forces (OKW), although the administrative authorities were in all cases army authorities, with the Navy and the Air Force represented only through liaison officers. In the OKW an administrative and an economic branch were in charge of occupied territories.

i. The administrative branch was called Administrative Section of the Armed Forces (Amtsgruppe Wehrmachtsverwaltung) with the following divisions engaged in organizing the administrative work of the tactical and civil affairs units and other military agencies:

Administration of occupied territories (Verwaltungsfragen besetzter Gebiete)

Transportation (Verkehrswesen)

Supply and Food (Verpflegungs-und Ernahrungswirtschaft)

Currency Supply (Geldversorgung)

Accounting and Auditing (Kassen- und Rechnungswesen)

ii. The economic branch organized the economic exploitation of territories under military rule. This branch was reorganized several times, losing gradually a large part of its responsibilities (especially control of armament manufacturing) to the Reich Ministry for Armaments and War Production. These reorganizations were reflected in changes of its name:

Until 1942: War Economy and Armament Office (Wehrwirtschafts- und Rüstungsamt)

1942-1944: War Economy Office or Staff (Wehrwirtschaftsamt or Stab)

1944-1945: Office for War Economy in the Field (Feldwirtschaftsamt)

In the first phase the economic branch had the following functions:

1. Supervision of armament production in the Reich and in occupied territories
2. Organisation of economic administration of occupied territories.
3. Organisation of salvage of economic assets in occupied territories
4. Organisation of "scorched earth" measures and evacuation of stocks and other assets from occupied territories.

In 1942 the functions under (1) were taken over by the Ministry for Armaments and War Production. The functions of (2) were exercised through a Economic Staff West (Wirtschaftsstab West) and a Economic Staff East (Wirtschaftsstab Ost) which directed the military authorities in charge of various territories. They ended when the Germans in 1944 lost most of their conquests; at the same time, the functions under (4) became more and more important.

The scope of the functions of the Wi-Rü Organization is outlined in an ordinance which contains a list of agencies reporting to it:[1]

Liaison officers with the Reich Marshal, the OKW/WFSt (Military Command Staff, the OKH/General Quartermaster, and the AOK;

Economic Staff East

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[1] Mitteilungsblatt des Wi-Rü Amt/OKW, 25 March 1942.

Reichsbank and Reich Ministry of Economics

German Armistice Commission

German Armistice Commission Economic Delegation

Economic Officer in Transnistria

War Economy Replacement Inspectorate

War Economy Staffs in Denmark, Norway and the Southeast

Armament Control Inspectorate Bourges (France)

German Industrial Commission Switzerland

War Economy Officers in Finland, Sweden, Slovakia, etc.

Armament Inspectorates and Commands in the Reich and in occupied territories

Military Representative at the Commissioner for Oil Questions in the Southeast, Bucharest (under the Delegate for the Four Year Plan).

Before its reorganization in 1942, the War Economy and Armament Office, headed by General Thomas, consisted of three sections -- for war economy, armament economy, and raw materials, respectively -- in addition to which there was a staff and subordinated agencies (apart from the field offices) handling mineral oil, tires, raw materials, expert personnel problems, contracts and prices, and price control, as well as a General Inspector for Collection of Raw Materials (General Witting) and a Delegate for Collection of Scrap and Used Materials in Occupied Territories (Major Schu).[1]

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[1] Also listed as Delegate subordinated to the Delegate for the Four Year Plan (q.v.).

When the Armament Office and its subordinate Armament Inspectorates and Commands were taken over by Speer, the War Economy Office in the OKW was represented in the occupied territories through War Economy Officers or War Economy Sections attached to the Armament field offices. In France, a War Economy Staff was set up, with three War Economy Inspectorates.[1] These officers and agencies evidently served only for liaison and information purposes; there is no evidence of any control activities. Economic controls were handled by the economic branches of the territorial authority, that is, the military commander insofar as there was military administration, with the exception of the occupied Eastern territories, where the Economic Inspectorates (Wirtschaftsinspektionen) operated under direct orders of the War Economy Staff in Berlin, a branch of the OKW.[2]

b. Military Administration authorities. In the zone of operations, all powers were in the hands of the military, and the Supreme Commander of the Army (Oberbefehlshaber des Heeres) was authorized by virtue of his executive powers to issue decrees necessary for the organization and administration of occupied territory.[3]

Administrative tasks were handled by a special staff of the tactical commander called Military Administration (Heeresverwaltung). Its scope was obviously very much restricted. Its activities in the

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1. Mitteilungsblatt des Wi-Amt/OKW 1924, p. 114.

2. For details, see below.
3. Albert Weh, Das Recht des Generalgouvernements, p. A100.

economic field consisted chiefly in the organization of army transportation and the securing of local supplies for army needs. The latter functions were in the hands of special units described below.

Occupied territories under military government after the active campaign had been concluded were organized in accordance with decrees issued by Hitler in administration areas under a Military Commander (Militärbefehlshaber). In Western Europe the Military Commanders operated in economic matters chiefly through local agencies which the German organization directed and controlled -- basically a method of indirect control. In Southeastern Europe the German military administration took over for direct handling a much larger part of economic jurisdiction but kept up the appearance of cooperating with the native administration. In occupied Russia, all economic matters were handled directly by the military.

The German army employed officers, soldiers, SS-officers and men, army civil servants (Wehrmachtbeamte) and civilians without this special status (Sonderführer) in the administration of occupied territories. The higher civilian employees were called Kriegsverwaltungsrat and Kriegsverwaltungsbeamte; they were selected from among the officials of the German civil service, businessmen, and employees of business organizations, chambers, and enterprises.

c. Special technical units. A special organization was built up in the German army to secure and remove captured enemy property. Originally these units seem to have been called army collection squads (Wehrmachterfassungskommando), and the technical battalions (Technische Battalion) headed by army specialists were called economic leaders (Armeewirtschaftsführer). Later (after 1942?) the units were called Field Economic Commands (Feldwirtschaftskommando) headed by a Feldwirtschaftsoffizier, and his superior, the Höherer Feldwirtschaftsoffizier who was attached to an army group.

The army collection squads were either agricultural or agricultural-technical units which operated in the country, while the technical battalions operated in towns. Their duties were to put into operation all industrial and transport installations required by the Army. They further secured local supplies for the army, and salvaged raw materials, machines, and other equipment. The chiefs of the agricultural units were called agricultural leaders (Landwirtschaftsführer); they organized in Russia the cultivation of land in the territory under control of their particular army unit and enabled the German soldier to live off the land.

The duties of the Field Economic Commands were described as reconnoitering the area close behind the front for captured war and industrial materials, machinery, and factories, and for the collection of such material and its transportation to the rear. Their units were motorized, except when the front was stationary, when they were set up at more or less permanent locations and operated under orders of the Armament Inspectorate, the regional agency of the Ministry for Armaments and War Production.[1] Otherwise, their superior agency was the War Economy Office and later the Office for War Economy in the Field, in the OKW. These organizations were responsible for most of the illegal taking of booty and confiscation in German occupied territories, including the territories of its allies.

In case of retreat the same units were in charge of evacuation of stocks, machinery, and other assets and the destruction of installations and goods which could not be evacuated. They were, in short, responsible for execution of the scorched earth policy.

Until 1942, the OKW controlled also the Armament Commands (Rüstungskommandos) which in occupied territories took a census of industrial capacity, secured stocks of raw materials, and transferred machinery to Germany. These functions were evidently taken over by the Economic Field Commands, when the Armament Commands became field agencies of the Ministry for Armaments and War Production.

d. "Einsatzstab Rosenberg".[2] A special staff attached to Alfred Rosenberg as Reichsleiter of the Party's national office for ideology and indoctrination was given authority by Hitler's decree of 17 September 1940[3]

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1. OSS # A-56033. Contains also names of officials active in Italy
2. For details, see appendix to R & A No. 3152 "Herman Goring as a War Criminal".
3. "Collection of German Letters and Documents Pertaining to Confiscation of European Art Treasures," G-5 Seventh Army, 19 May 1945.

to confiscate European art treasures, especially Jewish-owned art. The decree was addressed to the OKW, the Reich Ministry for Eastern Occupied Territories, the Reich Commissioners for occupied Norwegian and Dutch territories, and the Chiefs of Civil Administration in Alsace, Lorraine, and Luxembourg. In implementation of the decree orders were issued by the Military Commander of France authorizing the "Einsatzstab Rosenberg" to enter houses and commit other acts necessary for the achievement of its objectives.

3. Organizations of German Business

Under the Nazis German industrial and commercial firms were organized, or participated, in four types of associations, first, the corporative organization of German business; second, voluntary and compulsory cartels; third, Speer's Committees and rings; and fourth, German Chambers of Commerce Abroad. Each of these bodies played an important part in the Nazi organization of economic controls at home and in occupied countries, and served as an instrument for efficient exploitation of the latter.

a. Groups and Chambers. The corporative organization of German business firms was under control of the Reich Ministry for Economics. At its peak was the Reich Economic Chamber (Reichswirtschaftskammer), headed by Pietzsch and later Lindemann. It served as an advisory body to the Ministry [1] and participated in the planning and formulation of

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[1] **Die Organisation der Gewerblichen Wirtschaft, 1942 (MIRS doc. # 1227).**

German economic policies; its constituent organizations served as executive agencies for government controls in the economic field.

All German enterprises (outside of transportation and agriculture, which were organized separately) belonged to one of seven Reich Groups (Reichsgruppen) established respectively for industry, trade, banking, insurance, power, tourist trade, and handicrafts, and to the basic organizational units called Economic Groups (Wirtschaftsgruppe), which were further subdivided into Trade Groups (Fachgruppe).

All enterprises operating in the territory of a Gau belonged to the Gau Economic Chamber (Gauwirtschaftskammer), which served as a regional control agency. The Gau Economic Chambers and their predecessors, the Economic Chambers (Wirtschaftskammer) and the Chambers for Industry and Commerce (Industrie- und Handelskammer), played an important part in the reorganization of business and specifically the Aryanization of Jewish enterprises in territories incorporated into the Reich. In their function as regional control agencies they exercised numerous governmental authorities and were therefore responsible for implementation of government directives in incorporated territories; the Economic and Trade Groups, of course, also exercized control over enterprises in such territories.

The Gau Economic Chambers did not extend their activities into occupied non-incorporated territories, but some of them helped to promote penetration by German business. Thus in 1942 the Hamburg Chamber of Industry and Trade set up an Office for Eastern Questions in order to represent the interests of Hamburg enterprises with the administrative agencies competent for the occupied East and to direct the energies of Hamburg firms formerly oriented overseas to the new colonial region.

The Economic and Trade Groups played a more important role in the exploitation of occupied territories. They participated in the placing of German orders in western countries,[1] they assisted their member firms in finding suitable partners for the farming out of sub-contracts, with the help of field offices in France and other countries, etc.[2] In the East, the Groups participated in the organization of monopolistic enterprises which served as instruments of government control and exploitation in specific business fields -- as, for example:

The Reich Group Trade, co-founder of the Zentralhandelsgesellschaft Ost, which had a monopoly of trading in agricultural products and machinery, seeds, etc.

The Economic Groups for the Textile Industry, Clothing Industry, Pulp and Paper, and Wholesale and Foreign Trade, co-founders of the Ost-Faser GmbH, the monopoly for flax, linen, and associated production and distribution.

The Economic Groups for Mining, Foundries, and Wholesale and Foreign Trade, which participated in the foundation of the Berg- und Hüttenwerk GmbH, the monopoly for mining and foundry production.

The Economic Group Leather Industry, co-founder of the Ostschuh GmbH (shoe industry).

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[1] Kommentar zur Wirtschaftsgesetzgebung, part IV, section: "Auftragsverlagerung"

[2] Deutsche Allgemeine Zeitung of 6 January 1943 lists ten Economic Groups that were represented in France through delegates.

The Trade Group Peat Industry, which founded the *Ukraine Torf GmbH*[1]

Most Economic and Trade Groups set up so-called Eastern Committees (*Ostausschüsse*) to centralize activities in connection with exploitation of the occupied East. Leading industrialists functioned as their heads. Among the responsibilities of the Eastern Committees was also the selection of parent firms, that is, German firms which operated plants in the East on behalf and on account of the Reich, with the promise of future capital participation.

The Economic Groups also appointed delegates to Reich agencies engaged in organizing the exploitation of occupied territories to assist them in their task, e.g., the Economic Group Motor Vehicles sent a representative to the staff of General Kühn, Commissioner for Motor Transportation, who operated the Kharkhov motor plants under orders of the Delegate for the Four Year Plan.

The Reich Group Handicrafts and its regional Handicraft Chambers (later, sections of the Gau Economic Chambers) were in charge of selection of German master craftsmen for settlement in the occupied Eastern territories.

The Reich Group Banking was represented through its leader (Otto Ch. Fischer, later Kurt v. Schröder) on the board of directors of the *Reichskreditkassen*, the German military banks which issued occupation currency and served as an instrument of financial exploitation (see section III, B, 1e).

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[1] R & A report No. 2500.8: "German Military Government over Europe: Ostland and the Ukraine".

b. Cartels. The German cartels also were under the jurisdiction of the Reich Ministry for Economics, but after 1943, as far as production controls were concerned, they operated under orders of the Minister for Armaments. Although their importance was somewhat reduced during the war, the cartels continued in some branches to exercise important control functions under Government orders. They also served as instruments of German control and exploitation in occupied countries. This referred particularly to the Nazi super-cartels, the socalled Reichsvereinigungen and Gemeinschaften, which, as organizational and control centers of specific industries, extended their indirect and in some cases even their direct activities into occupied territories, controlling production and distribution of products in their specific trade.

The Reichsvereinigung Eisen operated in Northeastern France, the Protectorate of Bohemia and Moravia, and the General Government.

The Reichsvereinigung Kohle participated through its head, Paul Pleiger, in exploitation of Russian mines and foundries (Pleiger was managing director of the Berg- und Hüttenwerk GmbH).

The ESGE cartel (Eisen- und Stahlwerks-Gemeinschaft) operated in the Protectorate.

The Gemeinschaft Schuhe and the Gemeinschaft Glas extended their activities into the Protectorate's shoe and glas industries, respectively.

The Arbeitsgemeinschaft für Teererzeugnisse, Bochum (tar products cartel) acted as German purchasing agent in France.

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1. OSS CID # 106910

The organizations of the German auto industry supervised exploitation of the French auto industry.[1]

a. *Committees and Rings.* Speer's Main and Special Committees (*Ausschüsse*) and Rings (*Ringe*), staffed by industrialists and engineers of the leading enterprises, organized production of armament materials and components under orders of the Reich Ministry for Armament and War Production. Their activities extended into occupied countries insofar as there were firms engaged in production of such materials on German account. Field agents of Speer's Committees and Rings operated as well in all incorporated territories, in the Protectorate and the General Government, and in France and other occupied countries with important industrial facilities. In France these delegates were often called "*Länderbeauftragte.*" For example, the Committee Electrical Installations (attached administratively to the office of the Economic Group Electroindustry) handled matters pertaining to occupied countries and was represented through regional commissioners in each Armament Commission (set up for the economic districts of the Reich) and in the Protectorate, the General Government, the Netherlands, Belgium, and France.[2] The Main Committee Motor Vehicles set up a "*Verlagerungsgemeinschaft*" (association for subcontracting of orders) in Paris; this agency was formed by reorganization of an affiliate of the Adlerwerke the leading automotive firm in Germany which indicates the close integration of big business firms and semi-official business organizations.[3]

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[1] OSS CID # 4584.
[2] OSS CID # 128505.
[3] OSS CID # 3813.

d. *Chambers of Commerce in occupied countries.* German Chambers of Commerce Abroad (*Deutsche Handelskammern im Ausland*) were organized under the Reich Economic Chamber and the Reich Ministry for Economics but did not form part of the corporative organization of German business. Their members were German firms operating abroad through affiliates or sales agents. After invading a country the Germans would reorganize their chamber of commerce there and employ it in their organization of controls and exploitation of native business. The German Chamber of Commerce in the Netherlands, for example described its activities in 1942 as follows:[1] Close and confidential cooperation between the Chamber and the German military and civilian in the Netherlands developed in connection with the war economic functions entrusted to the Chamber. The Chamber assisted in the selection of trustees for Jewish enterprises among Dutch and German candidates residing in the Netherlands. It cooperated in the acquisition of Jewish textile firms by German buyers. A working committee of the German clothing industry was formed under leadership of the Chamber to organize the placing of German army contracts in the Netherlands. The Chamber also was requested to advise the authorities in connection with requests for licenses to purchase Dutch products by German firms. Upon request of the Reich Ministry for Economics and the Reich Ministry for Occupied Eastern Territories the Chamber actively engaged in recruiting economic specialists for the occupied East.

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1. *Deutsche Bergwerkszeitung*, 4 June 1943.

German chambers of commerce operated in the following occupied or controlled countries:

Name	Leading Personnel
German Chamber of Commerce for the Netherlands	Dir. A. Flesche, Dr. Herbig
Liaison Office France of the Organization of German Economy (Verbindungsstelle Frankreich der Organisation der Deutschen Wirtschaft)	Oskar Hofmann, Dr. H. Kuntze
German Chamber of Commerce in Denmark	Grosserer H. Danielsen, Kurt D. Buck
German-Hungarian Chamber of Commerce	Endre Mecser, H. Rolf Fritzsche
German Chamber of Commerce in Belgium	Edgar Grundlach, Dr. Gieseler
German Chamber of Commerce in Norway	Dr. Pilling, Brinckmann
Rumanian-German Chamber of Commerce	C. Casassovici, A.A. Konradi
German-Greek Chamber of Commerce	Dr. W. Hess, A. Macris
German-Bulgarian Chamber of Commerce	R. v. Brandenstein, Dr. Kowatschewsky
German Chamber of Commerce in Italy	Dr. Weber (I.G.Farben) Harbeck (Triplex)
German Chamber of Commerce in Croatia	Weymann
German-Slovak Trade Office (Deutsch-Slovakische Handelskanzlei)	

C. Territorial Authorities

1. **Incorporated Territories.** The various territories incorporated into the Reich or prepared for incorporation after the war[1] were in economic matters subjected to the jurisdiction of the same agencies as the Reich proper.[2] During the period between occupation and full incorporation some of them were administered by special commissioners; in the territories not legally incorporated the Reich commissioners acted as the highest regional authority until liberation by Allied armies.

The Reich Ministry of the Interior (q.v.) was charged with coordination of the administration in these territories, while economic measures emanated from the Delegate for the Four Year Plan and the Reich Ministries in charge of economic affairs. Responsibility for illegal acts in the economic sphere committed /in these areas/ is therefore shared by the Supreme Reich agencies; by the commissioners acting as intermediary authorities; and by the territorial agencies of the Reich insofar as they assumed authority there.

The following territorial authorities were appointed in areas eventually incorporated into the Reich:

Josef Bürckel, Reich Commissar for Austria until 14 April 1939

Konrad Henlein, Reich Commissar for Sudetenland until 25 March 1939

The incorporation of Danzig, of the incorporated Eastern (Polish) territories, and of Eupen, Malmedy, and Moresnet was not preceded by a period under a special commissioner. These territories became at once (some after a short period under military administration) parts of the Reich and were administered by regular Reich authorities.

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[1] For a detailed description of the incorporation measures see OSS report, R&A No. 3114.5, *The Illegal Annexation of Territory by Nazi Germany*.

[22] See, for example, description of Nazi economic controls in Austria in OSS R&A Report No 2905: '*De-Nazification of Austria*."

The following territorial authorities acted in areas prepared for incorporation into the Reich after the war:

Robert Wagner, Chief of Civil Administration of Alsace

Josef Bürckel, Chief of Civil Administration of Lorraine

Gustav Simon, Chief of Civil Administration of Luxembourg

Siegfried Uiberreither, Chief of Civil Administration of Lower Styria

Dr. Friedrich Rainer, Chief of Civil Administration in the occupied territories of Carinthia and Carniola

Erich Koch, Chief of Civil Administration of Bialystok

Franz Hofer, High Commissioner of Alpenvorland (Cisalpine-Territory)

Friedrich Rainer, High Commissioner of Adriatisches Küstenland (Adriatic Littoral)

2. Appended Territories.

a. The Protectorate of Bohemia and Moravia. The Protector, von Neurath, later Wilhelm Frick, was the delegate of the Reich Government.[1] His permanent deputy, who was vested with the actual powers of government functions, was the Secretary of State, Karl Hermann Frank. On 20 August 1943 the actual situation was legalized by the creation of the German Ministry of State, which headed an administrative setup controlling and directing all economic life in the Protectorate except matters under the direct jurisdiction of Reich agencies (e.g., the Armament

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[1] Decree of 16 March 1939, RGBl. I, 485.

Ministry[1] and its regional agencies, the Armament Inspectorate, the Armament Commands in Prague and Brunn, and the field representatives of the Main Committees and Rings) and Reich organizations (e.g., the super-cartels Gemeinschaft Schuhe, Gemeinschaft Glas). The functions retained by the Reich Protector had only nominal character.[2] As a rule, the Reich authorities did not issue decrees directly applicable in the Protectorate, but the Minister of State prepared regulations in accordance with directives received from the Reich.[3]

b. The General Government. The General Governor was the administrative head of that part of Poland organized as the General Government.[4] The Ministerial Council for defense of the Reich and the Delegate for the Four Year Plan were authorized to legislate directly for the territory of the General Government, but as a rule confined themselves to issuing directives to the General Governor who implemented them by decrees and administrative measures of his own within his territory. Similar directives were also issued by the Reich Ministries in their respective spheres - e.g., by the Ministry of Finance in regard to the budget of the General Government.[5]

The Ministerial Council for the Defense of the Reich issued only very few decrees applicable to the General Government and the matters handled therein were of little importance (e.g. social insurance of German employees in the General Government, decree of 17 June 1940 [1]). Among the decrees issued by the Delegate for the Four Year Plan the most important was the decree of 1 November 1939[2] which established the Haupttreuhandstelle Ost as central administrative agency for property seized in Poland.

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[1] Decree of 2 September 1943, RGBl. I, 529.
[2] See OSS R&A Report No. 2500.9: "The Protectorate of Bohemia-Moravia."
[3] Deutsche Volkswirtschaft, 1 November 1944.
[4] Decree of 12 October 1939, RGBl. I, 2077.
[5] Stuckart II, p. 112.

The jurisdiction of the Reich Minister for Armaments and War Production also extended into the General Government.[3] As its regional agencies served the Armament Inspectorate in Krakow and the Armament Commands in Krakow, Warsaw and Lwow, as well as the Technical Office at Krakow which supervised public construction work in the General Government.

The General Governor acted as deputy of the Delegate for the Four Year Plan in matters of economic exploitation of the General Government.[4]

The General Governor was head of the central authority called *Regierung des Generalgouvernements* which consisted of various functional divisions.[5] Economic matters were handled both by the central authority and by the regional agencies, the heads of which, called district chiefs, were, however, not subject to orders of the divisions in the central office but only to orders of the General Governor.

Expropriation of Polish and Jewish property in the General Government was a matter of jurisdiction of the district chiefs who acted in agreement with the central authorities.[6] Polish state property was taken over by the General Government. To administer and liquidate such property, the Germans set up a special agency the Trustee Agency Division (Abteilung Treuhandstelle) which operated through field agencies all over the country.[1] Originally, the Trustee Agency was a branch of the Haupttreuhandstelle Ost under the Delegate for the Four Year Plan. A Corporation for Liquidation of Trustee Property (Treuhandverwertungs GmbH) disposed of some confiscated property by way of sale or lease.

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[1] Weh, *op.cit.*, A, p. 215.
[2] *Deutscher Reichsanzeiger und Preussischer Staatsanzeiger*, No. 260, 1939.
[3] Decree of 20 March 1940 referred to in Stuckart I, 165.
[4] Weh. loc. cit., pp. A 100, E 100.
[5] See *Taschenbuch fur Verwaltungsbeamte*, 1943, page 174 ff.
[6] See section II A for legal references.

3. Territories with colonial status. Certain parts of Soviet Russia occupied by the Germans were incorporated into the Reich (the district of Bialystok, for example); other parts were incorporated into the General Government (East Poland or Galicia); a large sector was given civil administration under the Reich Ministry for Occupied Eastern Territories; and all the remainder outside of the zone of operations was administered by the military as an army rear zone (rückwärtiges Heeresgebiet). The eastern territories under civil administration and those under military administration were organized in accordance with a fairly uniform pattern as far as economic administration was concerned -- namely, in accordance with the objective of assuring for the Reich the maximum supply of native products. The Soviet territories were exploited by the Germans without regard to international law or custom, and the population was deprived of virtually all rights of self-administration. The territories were thus reduced to the status which colonies had at the peak period of imperialistic expansion.

a. The Ostland and Ukraine. The Reich Ministry of Occupied Eastern Territories[2] was headed by Rosenberg who was the supreme authority in the occupied Russian territories which had been turned over to civil administration. The leading personnel in the Ministry and in its territorial organization were responsible for the economic exploitation of the territory under their jurisdiction, jointly with the Delegate for the Four Year Plan and his staff, who outlined the basic policies.[1] The territorial administration of the Eastern Ministry was based on the division of the territory into two Reichskommissariate, Ostland[2] and Ukraine, which in turn were subdivided into several Generalkommissariate and Bezirkskommissariate.

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[1] Decree of 15 November 1939 (quoted in Weh. p. E860.)

[2] For organization of the Ministry and its staff, see Taschenbuch p. 564/6.

The Eastern Ministry was co-founder of various monopolistic enterprises, called trustee or Eastern companies (Treuhandgesellschaften or Ostgesellschaften) each of which operated all plants and trade enterprises of its specific branch in a larger or smaller territory. Officials of the Kommissariate often served as local managers of the trustee companies.

b. The Army Rear Zone. Supreme economic authority of the Army Rear Zone was the Economic Staff East (Wirtschaftsstab Ost) in Berlin.[3] At the high tide of German occupation the army rear zone, as far as economic administration was concerned, was composed of four Economic Inspectorates, North, Middle, South, and Caucasus, respectively. Each was headed by an Economic Inspector (Wirtschaftsinspektor) who acted as regional agency of the Economic Staff East and as liaison officer

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1. Deutsche Bergwerkszeitung, 13 August 1944.
2. Proclamation of Reich Commissioner for the Ostland of 28 July 1941 (Verkundungsblatt Ostland, 30 August 1944).
3. OSS CID #124902.

between this agency and the military commander of his area. The administrative agency of the inspectorate was divided into functional departments (Chefgruppen) dealing respectively with economics, agriculture, labor, forest and timber, promotion of industry, vocational training and (in the South only) the mines of the Donetz Basin. The lower territorial agency, called Economic Command (Wirtschaftskommando) was also organized in functional departments (Gruppen). The military agencies operated their farms and enterprises as a rule with the help of German trustee or monopoly companies; only in a few instances did the military manage them directly.

4. Western European countries under civilian authority.

a. Norway. The Reich Commissioner for occupied Norwegian Territories, Gauleiter Terboven, was a member of the Reich cabinet. He exercised full civilian authority in Norway.[1] Chief of the Economic Department in his office was Senator Otte. Control over Norge's Bank was exercised by a German "liaison" man. In economic matters the Reich Commissioner exercised his authorities chiefly through the native administration and corporative organizations of Norwegian business which acted in accordance with his orders. Various economic controls, expecially control over transportation, were in the hands of the military which also handled procurement of food and other articles necessary for maintenance of the army. Industrial production for German account (mining, armament, etc.) was supervised by the War Economy Staff Norway operating under the OKW, and since 1942, the Reich Ministry for Armaments, but the Reich Commissioner's agency acted as Central Order Office coordinating German purchasing in Norway.

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[1] Stuckart II, p. 123.

b. The Netherlands. Dr. Arthur Seyss-Inquart, the Reich Commissioner for the occupied Netherlands, was a member of the Reich cabinet. He held all powers which, according to the constitution and law of the Netherlands, were given to the monarch and the government.[1] All German authorities, services, and agencies in the Netherlands, except the army, were made subordinate to him. He was given authority over the whole Dutch administration which had to carry out his instructions in the performance of governmental functions.

The Reich Commissioner operated with the help of a German-staffed Bureau and four assistants. One of the assistants, Dr. Hans Fischböck, Commissioner General for Finance and Economics, was in charge of all economic affairs, with the exception of the Netherlands Bank, which was controlled by a special commissioner, H. C. H. Wohltat, and later by Albert Bühler. Direct economic controls were exercized by the German authorities only in the field of industrial production for German account (see below) and of foreign trade and exchange (through the Central Office for Dutch Import and Export - *Zentraldienst für Holländische Ein- und Ausfuhr* -- and the Foreign Exchange Office - *Deviseninstitut* -- both agencies of the Reich Commissioner). In all other respects the Reich Commissioner exercised his administrative authority through the native agencies.

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[1] Hitler's decree of 18 May 1940 and executive orders. Referred to in Stuckart II, p. 126.

Control over armament and other industrial production for German account was in the hands of the Armament Inspectorate Netherlands, in a field office of the Reich Ministry for Armaments and War Production. The Inspectorate, jointly with the Reich Commissioner's Bureau, set up the Central Order Office in the Netherlands to coordinate German purchasing activities, assign orders to Dutch industry, and direct the distribution of raw materials in accordance with German needs. Another organization which assisted the German authorities in the economic control and exploitation of the Netherlands was the German Chamber of Commerce in the Hague.

c. Denmark. The Germans considered Denmark as being under the military protection of the Reich, but they acknowledged the validity of the Hague Convention for relations between their army stationed in Denmark and the Danish people. German interests, other than military, were represented not by the commander of these occupation forces but by the diplomatic representative of the Reich, the Bevollmächtigter des Reiches (Plenipotentiary of the Reich)[1] under authority of the Foreign Office of the Reich. German economic demands were supposed to be channelled through this representative, and not handled by direct action of the military.[2] Danish economic contributions were to be fixed by negotiation. The Commanding Officer of the German forces and military establishments in Denmark was, however, on an equal footing with the Plenipotentiary.

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[1] Stuckart II, p. 126.

[2] Information, 2 January 1945 (quoted in State Department airgram, Stockholm, 11 January 1945).

The Reich Ministry for Armaments and War Production was represented in Denmark through a War Economy Staff, under Captain Forstmann, which acted at the same time as the Central Order Office.

5. Western European Countries under Military Rule.

a. Territorial authorities in France and Belgium. In France and in the area called Belgium and Northern France, the Military Commanders were the supreme authority in economic matters and all other German agencies represented in their areas had to request their assistance in any matter involving the use of authority. Each Commander was, of course, directed from Berlin, chiefly via the Economic Staff West (Wirtschaftsstab West), and was advised by representatives of the Reich agencies attached to his staff. Matters of military administration were handled by his administrative staff (Verwaltungsstab), a body distinct from his military staff (Kommandostab). The administrative staff was headed by the chief of military administration (Militärverwaltungschef); it consisted of an economic department (Wirtschaftsabteilung) and an administrative department (Verwaltungsabteilung). Most economic matters and controls were centered in the economic department, which was divided into groups and sections, the number of which varied according to local needs.

The territorial organization of the military administration consisted of military government districts (Militärverwaltungsbezirk), superior field commands (Oberfeldkommandantur), field commands (Feldkommandantur), district commands (Kreiskommandantur) and local commands (Ortskommandantur). All of them handled administrative matters on behalf of the administrative staff of the Military Commander, and even the local commands had economic functions, e.g., the requisitioning of food and feed and the supervision of farmers' obligatory deliveries. The territorial organizations down to the field commands had administrative sections.

Armament and other industrial production for German account were supervised by the field offices of the Reich Ministry for Armament and War Production, namely,

i. the War Economy and Armament Staff in France (Wehrwirtschafts- und Rüstungsstab) later renamed Armament and Procurement Staff (Rüstungs- und Beschaffungsstab) under Lt. Gen. Barckhausen, which operated through Armament Inspectorate A (Paris and North Western France) with Armament Commands in Paris I, Paris II, Bouen, and Orleans; Armament Inspectorate B (South West France) at Amiens, with Armament Commands at Bordeaux, Le Mans, Niort, and Vannes; and Armament Inspectorate C (South Eastern France) at Dijon, with Armament Commands at Besancon, Nancy, and Nevers; and

ii. the Armament Inspectorate Belgium in Brussels under Maj. Gen. Franssen, with Armament Commands in Brussels, Charleroi, Liege, and Lille.

These agencies, jointly with the economic branches of the Military Commander's offices set up a Central Order Office in Paris and Central Order Office for Belgium and Northern France, which coordinated German purchasing in France and Belgium, respectively, and assisted the military administration authorities in directing raw material distribution so as to secure a maximum of production on German account.

The names of German agencies and field offices which fulfilled control, procurement, liaison, and information functions on behalf of Reich authorities and business fill a long list. It comprises among others the procurement branches of the German Army, Air Force, and Navy, as well as of the major units stationed in France and Belgium, e.g., the General of the Air Force at Paris, the Commanding Admiral in France, the Chief Quartermaster West, the Delegate of the Reich Commissioner for Ocean Shipping, the Military Transport Division, the Foreign Exchange Control Commands (Devisenschutzkommando), the Frontier Customs Control Units, the Organisation Todt, the Technische Nothilfe; the German Legation in Paris, the territorial organization of the Nazi Party; the Reichskreditskasse, the Inspector for Raw Materials in Belgium and France, the Commissioner with the Bank of France, the German Armistice Commission and its field offices (see below), the Delegate of the Reich Minister for Armaments and War Production, the Liaison Office France of the Organization of German Economy (formerly the German Chamber of Commerce), the German Chamber of Commerce in Belgium, representatives of the Main Committees and Rings of the Speer Ministry and of the Economic Groups of the Funk Ministry, the field office of the German Institute for Business Research, and many more.

b. The Franco-German Armistice. An Armistice Commission was set up in Wiesbaden to regulate and control the execution of the Franco-German Armistice Convention of 1940. It consisted of the German Commission and the French Delegation. The German Commission acted chiefly as an instrument through which the Germans made demands on France and exercized controls in the unoccupied territory. It acted under orders of the German High Command (OKW). Its head was General Stulpnagel, under whom operated a chief staff and to whom were attached a representative of the German Foreign Office, a joint representative of the Delegate for the Four Year Plan and the Minister of Economics, and a representative of the Minister for Transportation. The Commission was staffed by military and civilian personnel. It was divided into a military and an economic branch, and convened in subcommissions.[1] It had a number of bodies in French territory, both in the occupied and the unoccupied part. (Control Inspectorates, Control Commissions, an Economic Delegation, purchasing commissions, travelling inspecting bodies.)

The most important of these bodies were:[2]

In Paris: the Economic Delegation;

In Bourges: the Army Control Inspectorate, Air Force Control Inspectorate, and Armament Control Inspectorate, the latter with field offices called Armament Control Commands, in Clermont-Ferrandx, Lyon, Toulouse, Avignon, and the Mineral Oil Control Command in Marseilles;

In Lyon: the Special Air Force Command;

In Casablanca: the Control Inspectorate (under General Schulthess), consisting of the Army Control Commission Morocco with three regional subcommissions, the Naval Control Commission Morocco, the Air Force Control Commission Morocco, the Armament (of Industry) and Mineral Oil Control Commission Morocco, the attached German Purchasing Commission for North Africa in Algiers, the motor vehicle purchasing commission, and liaison offices with the Italian delegation in North Africa, located in Tunis, Algiers, and Oran.

In Turin: the Liaison Delegation to the Italian Armistice Commission;

In Toulon: the Naval Liaison Office to the Italian Delegation;

In Indochina: the Permanent German Delegate of the German Economic Delegation.

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[1] Joint Historical Research Section, June 1944 (OSS CID #109652).
[2] OSS CID #104442.

After the whole of France was occupied in November 1942, the Armistice Control Commission in the southern zone were placed under jurisdiction of the Armament and Procurement Staff France, a field office of Speer's Ministry; they supervised and directed French industrial production of German armament material. They had, then, functions analogous to those of the Armament Commands and were eventually given that name.

6. Satellite Countries.

a. Greece, Serbia, Croatia. After occupying Greece and Yugoslavia the Germans set up puppet regimes (dividing Yugoslavia into two states) closely controlled by the local German military commanders. At the end of 1943 the whole territory was reorganized as the Military Administration Southeast. Organization of the economic administration followed the pattern employed in Western Europe, except that German officials took direct charge of the more important native administration agencies, and German military and para-military organizations directly controlled mining, agriculture, transportation, etc. Moreover, regional deputies of the highest civilian agencies of the Reich were integrated into the military administration of the Balkan countries and exercized various powers on behalf of the military occupation authority. For example, Göring as Delegate for the Four Year Plan appointed Franz Neuhausen to be General Commissioner for Economy in Serbia, and for Metal Ore Mining in the Southeast.[1] Neuhausen was at the same time appointed head of the economic administration of Serbia by the Military Commander of Serbia,

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[1] Taschenbuch 1943, p. 10.